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LaRouche Leading New Resistance Against War-Hawks
Scandal of Illegal U.S. Funding of Sharon's Likud
Calls for 'FDR Policy' in California Budget Crisis

What Gun Has Rumsfeld Been Smoking?



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From the Associate Editor

We go to press as the world hovers at the brink of a strategic shift: either for the better, or much, much worse. The end of January will see the Israeli elections, the UN inspectors' first report on Iraq, and the State of the Union speeches by President Bush and his successor, Lyndon LaRouche. It's a time that requires that we "do the impossible" to prevent a catastrophic war—and it's beginning to look to skeptics like that might indeed be "possible."

Last month, as *EIR* initiated the publication of a series of hard-hitting investigative reports on U.S.-Israeli organized-crime circles and their laundering of illegal monies into Likud election campaigns, Lyndon LaRouche said that, if we did this right, we could tip the outcome of the Israeli elections, from Likud toward the Labor Party's Amram Mitzna. We are now well along in doing just that. A number of well-placed U.S. and Israeli sources have told us that it was our investigative reports that triggered the current eruption of scandals around Ariel Sharon and the Likud, and that there is much more to come. One effect of our work has been to prompt Israeli investigators to look much more aggressively at the U.S. side of the scandals, and at specific U.S. sources of funding for these dirty operations. Anton Chaitkin's article in this issue provides new documentation of how this corrupt operation works.

The "chicken-hawk" faction in the Bush Administration is increasingly exposed and under fire, even from within the Republican Party itself (see *National*). A defeat for Sharon in Israel would have enormous implications for U.S. policy, especially if combined with a substantial delay in the Iraq war. The international inspectors in Iraq have scrutinized many locations where Donald Rumsfeld claimed there were "weapons of mass destruction"—and found nothing there, as Michele Steinberg reports.

Another intervention of the LaRouche movement internationally, was the trip by France's Jacques Cheminade to the United Arab Emirates and Qatar, where he encouraged his audiences to look beyond simplistic "pro-American" vs. "anti-American" dichotomies, and orient instead toward the proud American intellectual tradition of Franklin D. Roosevelt and LaRouche, which stands for a community of principle among sovereign nation-states, in the mutual interest.

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Deepening Depression Forces LaRouche's Super-TVA on Agenda

by EIR Staff

By its January 15 report, even the U.S. Federal Reserve had to acknowledge that large job losses, sinking consumer spending, record corporate bankruptcies, and disastrous blowouts of state and Federal budgets, show that the U.S. economy is not recovering, but still falling. Some 200,000 American jobs disappeared over November-December, and some economists are estimating a zero-growth fourth quarter even as measured by grossly inflated GDP. The Fed did not even mention the accelerating slide of the U.S. dollar against gold and other major currencies, the surest sign of the deepening collapse ahead.

It appears that it is over the budget meltdowns—simultaneous collapses in state and Federal revenues on the order of 10% and more are unprecedented since the depths of the Great Depression—that the pressure is getting most intense for a “paradigm-shift” rejection of the axioms of deregulation and free trade, and adoption of “FDR-styled” recovery measures. Michigan’s Gov. Jennifer Granholm, for example, is talking about a kind of “emergency rule,” only months after taking office, because the state’s budget is plunging so fast. Connecticut, Washington, and many other states are in the same situation. Federally, more than a million people are being newly cut off from Medicaid health insurance. The Federal budget deficit is on a \$500 billion trajectory, and President Bush’s new tax cuts are already written off.

‘If You Cut . . . People Won’t Survive’

Presidential pre-candidate Lyndon LaRouche’s “Super-TVA” solution is needed; and while state officials and legislators are still far short of it, the first calls for “FDR” solutions are arising—not surprisingly, from California.

As the California Legislature convened in the second week of January, it became clear that the state’s leaders are not yet prepared to take the actions necessary to save the state from complete economic and social devolution. Despite some statements from Gov. Gray Davis (D) and other officials indicating that they are aware of the urgent necessity for Federal action, the remedies offered, thus far, come out of the same discredited formulas of “Economics 101” which created the crisis in the first place—a mélange of budget cuts, with deadly consequences for the poor, the elderly, and the disabled, and tax hikes, the results of which will be to contract further already declining revenues.

Facing an estimated budget deficit of nearly \$35 billion, Governor Davis presented, in his State of the State address on Jan. 8, what he described as “one of the toughest budgets ever presented to the Legislature.” He called on legislators to pass his proposal for \$10 billion in immediate cuts, which includes \$3.1 billion in cuts in public education, as well as significant cuts in health care. Another \$10 billion in cuts will follow, with the Medi-Cal health-care plan—which is already underfunded—slated for approximately \$3.6 billion in reductions.

The effects of cuts in Medi-Cal, which is a state and Federal program for those who cannot afford medical coverage, demonstrate how disastrous this slash-and-burn approach to the budget crisis is. In testimony presented to lawmakers, Sylvia Drew Ivie, executive director of To Help Everyone Clinic, a non-profit health-care facility in Los Angeles, stated that the proposed cuts in Medi-Cal “will cripple those of us who are trying to hang on by the skin of our teeth. The network of care, the specialty care, the



The LaRouche Youth Movement hits the California State Legislature in Sacramento for his “Super-TVA” policy. As their lobbying continued the week of Jan. 12, echoes began to be heard in the state capital.

primary care that’s provided at clinics like ours make it possible for people to survive. But if you cut it out, people won’t survive . . . it’s a question of living and dying.”

Similar remarks from health-care professionals have been presented at hearings throughout the state.

Glimmer of Reality

In his State of the State address, Davis accurately pointed out that the budgetary problems facing California are not specific to the state, but part of a national pattern. They are the result of the “national recession,” which “has forced nearly every state in America into the red.” The state’s well-being is “threatened by a struggling national economy and declining stock market . . . personal income is down. Employment is down. Retail sales and manufacturing are down.”

To solve this problem, he continued, “It’s not enough to simply pass a budget that balances the books.” There must be new jobs created, especially in infrastructure and manufacturing. This goes beyond the ability of state government. The “Federal government,” he specified, “can do more than any state to promote economic growth.

“Washington needs to step up and pass a real economic plan. One that puts Americans back to work this year,” he concluded.

State Treasurer Phil Angelides (D) was even more specific in his inaugural address, invoking the Golden Gate Bridge and other public works projects to get out of the Great Depres-

sion, as an example. “There is a long history in this country, from the Works Progress Administration”—an anti-Depression, jobs-creation program of Franklin D. Roosevelt—“onward, of using public infrastructure investments as an economic tool,” he added, echoing the concept in Lyndon LaRouche’s proposal for a Super-TVA.

LaRouche’s Solutions

Despite these well-intentioned remarks, neither Davis nor Angelides, nor any of the legislators facing this crisis, has been courageous enough to address the real problem. As Lyndon LaRouche—the most successful economic forecaster of our times—has emphasized repeatedly, the global financial system has reached the point of a systemic breakdown, one that threatens to destroy nations, such as Argentina and Brazil, as well as states, such as California and Texas.

This systemic breakdown is the result of the adoption, over the last 35 years, of post-industrial economic policy, with the following components taken from the neo-liberal economic handbook: rejection of manufacturing, replaced by a “high-tech” computer/New Economy bubble, which has now popped; under-investment in infrastructure, such as the water, power, and transportation projects that built the state of California; deregulation, privatization, and free trade, with an emphasis on “shareholder values,” propped up by gouging wages and the destroying the capacity of governments to act to defend the general welfare.

On Dec. 7, 2002, Lyndon LaRouche addressed a town meeting in Los Angeles, outlining his “Super-TVA” proposal. Central to this program is the repeal of the deregulation and related statutes; and the generation of Federal credit, to be directed, by the states, into necessary infrastructure projects which will provide jobs and increase revenues to the states and to the private sector—the whole project modelled on the successful anti-Depression programs, such as the Tennessee Valley Authority (TVA) initiated by President Franklin Roosevelt.

This approach got the United States out of the last Depression. It is the only approach which will work today. LaRouche’s “light cavalry,” his Youth Movement, has made repeated forays into the state capital, Sacramento, to bring this message to the elected officials, who have the power to reverse this crisis, telling them they must overcome their fears and give up their denial; there is no option but LaRouche’s solution.

Brazil’s Lula Tries To Live in Two Worlds

by Silvia Palacios and Lorenzo Carrasco

Forming President Luiz Inácio Lula da Silva’s government, by trying to please Greeks and Trojans alike, has led to what might be dubbed a “tutti frutti Cabinet,” with representation of every political flavor imaginable. Here, just as in his inaugural address, can be seen the different universes in which the new Brazilian government seeks to simultaneously exist, above all in the astonishing omission of any reference to the world systemic crisis, thus conveying the absurd fantasy that it were possible to resolve Brazil’s grave social and economic problems *without* altering its relationship of servitude to the disintegrating International Monetary Fund (IMF) financial system.

The make-up of Lula’s Cabinet has received great international attention, because it was considered a key indicator of what Brazil intends to do with regard to its astronomical foreign debt, the largest in the developing sector (*EIR*’s estimate places the real foreign debt at \$500 billion).

Lula’s overwhelming election victory in October 2002 was an undeniable rejection by the voters of the neo-liberal policies of globalization imposed by President Fernando Henrique Cardoso during his eight years of government. This tragic period could be summed up by the fact that public assets, physical and financial, and national income, both public and private, were totally enslaved to the world financial

oligarchy. The state became a mere tax collector for that oligarchy.

The ‘Tutti Fruti Cabinet’

The Lula government continues to be trapped in this world of globalization, trying to satisfy its two great underlying tendencies. On the one hand, the government reaffirmed its commitment to the austerity policies of the International Monetary Fund, naming as Finance Minister the former Trotskyist Antonio Palocci, who now shows a neo-liberal bent; and as president of the Central Bank Henrique Meirelles, the former president of the Bank of Boston internationally.

On the other hand, obeisance is also given to the forces of the World Social Forum, an amalgam of non-governmental organizations (NGOs) which, despite their Jacobinism and anti-globalization rhetoric, nonetheless respect the anti-sovereignty rules imposed by globalization against the nation-state, merely attaching the label “globalization with solidarity.” These are the same forces that come together in the São Paulo Forum, created in 1990 by Lula’s Workers Party (PT) and by the Cuban Communist Party, to assemble the diverse forces of the left after the fall of the Berlin Wall, and to prevent the isolation of the Castro regime. This latter sector is represented in the new Cabinet by Sen. Marina da Silva, champion of the international NGOs, named to head the Environment Ministry; by Miguel Rosetto, a close ally of the radical Landless Workers Movement (MST) and leader of the international organization Via Campesina (“Peasants Way”, named Minister of Agrarian Development; and former Rio Grande do Sul Gov. Olivio Dutra, leader of the most radical factions of the PT, named to head the Ministry of Urban Affairs.

Another set of nominations falls between these two extremes. This is the case, for example, with the former Mayor of Pôrto Alegre, Tasso Genro, who will head a new government agency, the Ministry of Economic and Social Development.

This governmental set-up is being handled by President Lula’s domestic Cabinet, primarily centered in the all-powerful José Dirceu, who heads the Civil Cabinet of the Presidency, which is a Cabinet post, and José Genoïno, president of the PT. It is also worth taking note of the importance of the leading figure of Liberation Theology in Brazil, Frei Betto—spiritual adviser to President Lula—who was officially named a part of the President’s advisory team.

The central paradox faced by the new government derives from the fact that a change of economic policy which responds to the enormous expectations created by Lula’s election, presupposes an interruption of usurious financial flows; a confrontation with the policies of globalization; a return to protectionism; at the same time that it will be imperative to control the mass of Jacobins of various ideological shades who are in much of the structure Lula’s own political party.

But, instead of this, the new government has the illusion that a continuity in the prevailing monetary, financial, and fiscal policies, will give it the economic and international political space to govern, and afterward, it will attempt a change in policy. As part of this plan to buy time, the government launched a social program which promises to end the scourge of hunger, but without going to the roots of what is producing hunger and misery in Brazil. Symptomatic of this situation, is the announcement by Finance Minister Palocci that he will continue the IMF's policy of fiscal austerity, allegedly in order to finance the government's "Zero Hunger" program.

The international financial oligarchy, aware of the nature of the crossroads facing the Lula government, has opted not to force an immediate financial confrontation, as it has done with Argentina. The first quarter of 2003 will be a period of tremendous political pressure, but the conditions will be created for Brazil to be able to continue refinancing its debt. But by April and May, vast payments on the debt will be coming due, which could very likely lead to an explosion such as that which occurred in Argentina a year ago.

The Institutions of Government

Outside the political dynamic imposed by the world of globalization, within the Lula government there are institutional sectors that represent the defense of the legitimate national interests in the areas of agriculture and industry, and in foreign and military policy. With regard to these, the Lula government has opted to give institutional continuity to the South American integration initiative, begun in September 2000 after the total failure of the so-called Millennium Round trade negotiations in Seattle, Washington. It is clear that Foreign Minister Celso Amorin, along with the Foreign Ministry's General Secretary Samuel Pinheiro Guimarães, are representatives of an independent foreign policy, with clear reservations about the Free Trade Area of the Americas (FTAA). This group seeks to strengthen the political alliance with Argentina and the Mercosur group of nations, as the motor of South American integration, and to open relations with the strategic Eurasian triangle—Russia, China, and India—as well as with South Africa.

Brazil's diplomatic initiative toward Venezuela, seeking to break the scenario of conflict between the demented radicalism of President Hugo Chávez, and the intransigence of opposition leaders backed by Washington, reflects this intention to maintain an independent foreign policy.

This same approach was taken in the choice of Ambassador José Viegas Filho as Defense Minister, a choice which, despite some pockets of resistance, has thus far avoided a politicization of defense policies. Lula took care to choose the commanders of the three military forces with strict respect for rank, with the purpose of avoiding any friction with the Armed Forces.

Military policy will be one of the key areas in which the true nature of the government will be determined, because President Lula will have to define what his policy will be toward narco-terrorism, the sovereignty of the Amazon region (especially in the face of foreign interventions from the complex of environmentalist and indigenist NGOs), and the Armed Forces' programs for developing the most advanced technologies.

It is important to note that the new government is considering continuing to use the Armed Forces in various social and economic programs, in which the Armed Forces have always participated. For example, the idea has been presented that the Army's engineering battalions could lead an effort to rebuild infrastructure and transportation logistics throughout the national territory, which could mean the modernization and expansion of the already traditional engineering corps. But this cannot mean doing away with the Armed Forces' fundamental role of defending the country's full sovereignty, as has been the intention of both currents of the globalization lobby—neo-liberal and leftist.

Despite the enormous expectations and vast popular hopes created by Lula's election, for the moment, this is where the matter presently stands.

'Noösphere in Action' In Egypt's Desert

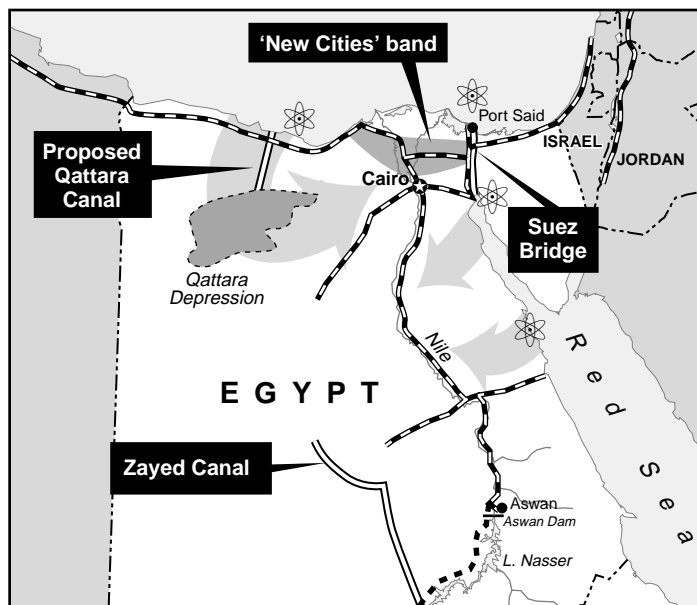
by Hussein Askary

A move of human civilization from the Nile Valley to Egypt's western desert was begun, when President Hosni Mubarak on Jan. 12 inaugurated the biggest water-pumping station in the Middle East—and probably the world. Mubarak put into operation the first stage of the Toshka Project, and the beginning of comprehensive development in the southern valley, now called the New Valley.

This project, in the works for years, consists of moving large amounts of Nile River water in Lake Nasser behind the Aswan Dam, into the desert west of the lake, and up northward parallel to the Nile River Valley, to build new agro-industrial centers and cities. In ten years, the population of this new region is estimated to reach 3 million. According to one Egyptian television commentator, "This is the first time in known history, that Egyptian civilization has made a major move outside of the Nile Valley." Almost 70 million Egyptians live in a narrow strip along the Nile and in its northern Delta.

The first two units of the giant Mubarak pumping station at Toshka will pump water from Lake Nasser into the Sheikh

Egypt's New Desert Canal



Like the canal which created California's Imperial Valley, Egypt's new Zayed Canal, which is to create a New Valley of agriculture, settlement, and manufacture, is now filling with water pumped from Lake Nasser. Here this project is shown with other national transport and water projects.

Zayed Canal to irrigate 10,000 feddans (4,046 hectares, or about 150 square miles) of desert. The area will be increased sixfold later this year, as part of the first phase of a project that eventually calls for cultivation of about 600,000 feddans (roughly 9,000 square miles). The huge pumping station at Toshka has been designed to withstand earthquakes and all weather conditions, and cost about 1.5 billion Egyptian pounds (\$450 million) to build. With a capacity of 25 million cubic meters daily, the station could take water from Lake Nasser even in a 10-year drought, because it can draw water from a depth of 147 meters (water behind the dam can reach 182 meters).

Looking to Future Generations

The Toshka Project was launched to encourage people to get out of the narrow Nile Valley—a mere 5% of Egypt's land-area—to secure the future for coming generations. The two units opened by President Mubarak will pump water into branches 1 and 2 of the Sheikh Zayed Canal and irrigate 220,000 feddans. Construction of the 50-kilometer canal was financed mostly with financial gifts and grants from the United Arab Emirates. The first branch serves 100,000 feddans that belong to the agricultural development project owned by Saudi Prince Walid bin Talal, whose holding company has invested hundreds of millions of dollars in these

projects. The second branch, serving 120,000 feddans, is devoted to Egyptian companies.

The Mubarak station has 21 pumps in all—designed in Japan—and is scheduled for full operation in July. Dr. Mahmoud Abu Zeid, Minister of Irrigation and Water Resources, said that about \$1 billion has been spent so far on the Toshka Project, which is 70-90% complete.

Some 60,000 feddans of the newly reclaimed lands will be distributed to youth and junior beneficiaries; the investment companies will provide working opportunities for youth. Most of the new agricultural projects will be operated by young university and technical institute graduates, reflecting a focus on highly advanced production methods. Eighteen new cities are to be established on 800,000 feddans in Toshka. Agriculture will be combined with mining and metal-working industries, because the region is rich with minerals and other natural resources. Electricity is already available from the Aswan Dam. Transport infrastructure, such as modern roads, already exists. North of this project, a group of oases, such as Al-Kharga Oasis, is already a major mining and steel production site, with a railway connection to the Nile Valley and Port Safaga on the Red Sea.

President Mubarak inspected an experimental farm whose vegetables and fruits will be exported to world markets. This and other farms have already been in operation for two years, using well water while awaiting the water to run in the Zayed Canal. Mubarak also

visited a water research center. Dr. Hassan Younis, the Minister of Electricity, said that electric feeding of the Toshka Project includes setting up transformer stations with capacities of 50 to 250 megawatts.

Prime Minister Dr. Atef Ebeid said the project aims at developing Egypt's agricultural self-sufficiency and increasing its exports. He forecast that fish farms around Toshka would produce more than 5,000 tons of fish annually. Floodwaters from the dam reservoir have already been diverted to the Toshka Depression for a number of years now, creating a big lake south of the agro-industrial area.

This project is a first step for transforming the seemingly lifeless desert sands into a lively center for human habitation and productivity; as Vladimir Vernadsky expressed it, the Noösphere transforming the Biosphere.

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'Islamic Banking' May Expand In a New International System

by Paolo Raimondi

The author attended the conference as President of the International Civil Rights Solidarity Movement, and representative of Lyndon LaRouche in Italy. His quotations from presentations have been translated from Italian into English.

Over 200 economic, banking, and government representatives attended an important conference on "Islamic Banking," in Rome on Dec. 19, co-sponsored by the Italian Banking Association (ABI), the Islamic Development Bank, the Islamic Research and Training Institute, and the Italian-Arab Chamber of Commerce of Rome. Besides introducing the concepts which govern Islamic banking methods to a European audience, the conference assumed a more strategic importance in the context of the ongoing international financial crash, and the effort particularly in Italy's Parliament, to formulate solutions to it by moving to a new and stable world monetary and financial system.

Opening the event, Prof. Sergio Marini, President of the Italian-Arab Chamber, emphasized the importance of banking cooperation for economic development between Western and Islamic finance, as one of the most important ways out of the present war danger in the Mideast region. ABI President Maurizio Sella, General Director of the Italian Foreign Ministry Antonio Badini, and Saudi Arabia's Ambassador Prince Mohammed Bin Nawaf Al Saud stressed both the importance of such "dialogue," and the much-needed moral orientation in banking and economic affairs which characterizes Islamic banking methods at their best.

What Is 'Islamic Banking'?

Dr. Ahmad Mohamed Ali, President of the Islamic Development Bank based in Jeddah, Saudi Arabia, introduced the audience to the methodological concepts of Islamic banking. Western customers think of two types of banks: investment banks, which function as financial intermediaries, collecting interest on behalf of creditors and lending this money to others, receiving interest as payment; and universal banks which accept general deposits, and can also participate in business activities directly as lenders or shareholders. "In both models the interest rate is the center of the banking activities," Dr. Ali explained. "In Islam, it is prohibited to take and pay interest. The same prohibition exists also in all the religions, including the Christian and Jewish religions. To obey the prohi-

bition, Islamic bankers have developed a number of alternative instruments.

"An Islamic bank is an institution which gathers deposits and undertakes all the normal banking activities, but without using the interest rate. On the passive side, Islamic banks mobilize funds on the basis of profit-sharing. They lend funds on the basis of profit- and loss-sharing, and . . . invest based on sales, which implies the purchase of goods paid in cash and their sale to clients for credit, with a fixed rate of profit which is the difference between the sale price and the purchase price. The participation in the capital and the commercialization of the goods and merchandise are the integral part of the Islamic banking activities."

Dr. Ali cited a 1970 book by a European expert, *Partnership and Profit in Medieval Islam*, which describes how Islamic financial methods have been used for many centuries to finance intra-Mediterranean trade. He presented his own judgment: "In conventional banking activity, the bank is concerned mainly that its principal and the relevant interest be punctually paid. Thus in extending credits, one looks essentially at the creditworthiness of the debtor. This leads to the concentration of credit and wealth in the hands of a few. Today, we see that 15% of the world population controls 80% of the wealth, while 23% of the world population survives on less than \$1 per day. These persons have de facto no access to credit.

"In Islamic banking activities, based on sharing of profits and losses, the bank receives a profit only if the project is successful. . . . For this reason, the Islamic bank will consider primarily the solidity of the project and the trade and management competence of the entrepreneur. . . . The creation of debt in Islamic finance is not possible without a correspondence of goods and services, and the means of debt are tradable only against goods and services. The monetary flows have a direct link with the flows of goods. The financial and real activities are strictly linked. Therefore, there is no room for sudden and massive movements of such funds as, on the contrary, happens with the flows of short-term interest-based funds. In this way, destabilizing speculation becomes strongly limited. In a world afflicted by financial crises, this offers new hope."

The total capital of Islamic banking institutions is about \$150-180 billion. Among them, a special role is played by the

Islamic Development Bank (IDB), with a nominal capital of \$18.82 billion, which counts 54 member nations and promotes economic and social development of Islamic countries and communities.

‘No Risk, No Profit’

Dr. M. Umer Chapra, adviser to the Islamic Research and Training Institute and to the IDB, spoke in more detail about the Islamic financing principle of “risk co-participation,” (sharing profit and loss) under the motto “No risk, no profit,” and presented two of the most frequently used Islamic financial models or contracts: the *mudarabah* and the *musharakah*. The first is an agreement between two or more persons, in which one or more provide the financing, and the rest the managing and entrepreneurial capability in any economic, trade, industry, or service sector, with the aim of realizing a profit to be shared according to the contract specifications. Losses are sustained only by the investors, while the management loss is the lack of gain for his services. The *musharakah* contract is a financial model in which all the participants contribute in the capital investment and the management.

Dr. Chapra asked, “Why the Islamic banking system?” and developed an interesting answer. “The difficulties in introducing a new model of financial intermediation raise the question of why we should substitute for the dominant system, which has existed for two centuries. It would not be needed if the conventional system functioned well. But it is not so. In the past two decades it has seen numerous crises. No area of the world has been spared. Then there is the disturbing feeling that something fundamental did not function. This has led to the request of a global reform of the financial system to help to prevent the explosion and the spreading of the financial crises, or at least to minimize their frequency and gravity. The demanded reform has been called ‘the new architecture.’ ”

Dr. Chapra identified the causes of this crisis as financial liberalization in general, in floating exchange rates in particular; the explosion of the speculative bubble; and the lack of market discipline of the present financial system; which has resulted, he said, from the lack of an explicit risk participation in financial operations, and from the orientation toward very short-term investment. He detailed the dynamics of the three main financial crises of the recent period: the “Asian crisis” of 1997-98; the collapse of the Long Term Capital Management speculative fund in 1998; and the growing instability on foreign exchange markets. He concluded: “We see there is a strong logical basis behind the prohibition against interest expressed by the most important religions of the world. The moral basis is not simply to prevent the looting of the poor, but also to make the financial system more healthy and stable.”

‘Ethical Banks’

The prohibition in the Qoran was cited in another presentation by Gian Maria Piccinelli, Professor of Islamic Law at the Second University of Naples: “What you lend at usurious

conditions to gain on the possessions of others, will not increase your standing before God. But what you give as charity, with the desire to see the visage of God, that will return to you double.” Primarily, Professor Piccinelli also stressed that the real ethical question expressed is the active risk undertaken by a co-entrepreneur, as counterposed to the passive waiting of the creditor, who, with the support of the required guarantees, is sure of the return of his capital. Only in the middle of the 19th Century did Islamic experts begin to discuss how this injunction should actually be applied.

Piccinelli sees a vast area of banking and economic cooperation for the Islamic banks in the West, like the so-called “ethical banks” in Italy and Europe that are involved in what is known as social banking. Presently there is an intense debate on defining rules and procedures for a better cooperation.

Dr. Munawar Iqbal, head of the financial division of the Islamic Development Bank, presented in some detail the experiences of national Islamic banking in states such as Pakistan, Iran, Sudan and Malaysia beginning from 1979 and more effectively since 1983. In addition to these nations, there are about 90 Islamic banks and financial institutions worldwide.

Mr. Iqbal Khan, manager of the Amanah Finance of Dubai, recalled how, historically, Islamic notions of economic operations and activity have exerted a very important influence. For example, the original Arabic term for “representative paper” or obligation, was *sakk*, from which “cheque” or “check” derives. The concept of “fiduciary fund” comes from *waqf* or donation. The practice of *waqf* has been greatly used in the Islamic world for many centuries, and the concept of fiduciary fund was introduced into Europe by the Franciscan order in the 12th Century. St. Francis had relations with the Islamic world both in Egypt and in Islamic Spain.

Participation in New Monetary System

The activities of Islamic banking, as conference participants made clear, have a greater strategic importance than the simple question of how Islamic banks directly are integrated in the *existing* monetary and financial system. Financial responsables from Islamic nations and organizations used the event to express a strong demand for a fundamental reform and reorganization of the global financial system itself.

Ideas and proposals like Lyndon LaRouche’s New Bretton Woods—already called for by a resolution of the Italian Chamber of Deputies on Sept. 25, 2002—and the realization of the infrastructure development projects of the Eurasian Land-Bridge, could become the ground for a strategic cooperation and solution to the collapsing, speculation-based international monetary and financial system dominated by the International Monetary Fund. Its bankruptcy is provoking crises, poverty and wars.

Discussions in these directions will also give the right response to the search of Islamic finance for new rules, methods and participation in a productive new economic order for the nations of the world.

War Would Accelerate Germany's Economic Fall

by Rainer Apel

Economic data published in Germany on Jan. 13, on the export performance of its export-centered economy, corroborate two basic trends: German exports to the other leading industrial nations of the Group of Seven are shrinking; whereas exports to rapidly developing “threshold” countries like China and India are expanding. In 2002, German industry exports to the rest of the European Union dropped slightly, by 0.4%; to the United States and Japan, they dropped drastically, by 3.0% and 8.3% respectively. But exports to China increased by 18.3%, to Russia by 13.8%, and even to the depressed Eastern European countries by 7.9%.

German industry now depends largely on the East of the Eurasian continent. And that is where exports must be increased greatly if it wants to re-employ what is actually 8 million jobless workers (the official, censored number was 4.25 million for December). Germany's economic depression is deepening, with both its retail and construction sectors in their worst crisis since World War II. Construction has plunged due to collapsing Federal, state, and municipal investments; German retail sales in November 2002 fell 6% from a year earlier; auto sales fell by 7%; consumer confidence to an eight-year low.

The depression makes opposition to the war against Iraq more difficult, but more essential; Eurasian Land-Bridge development, like the world's first maglev train line opened in Shanghai, China, is Germany's economic opportunity. A Persian Gulf war would send immediate, deep shocks into all neighboring regions—Mideast, Central Asia, South Asia—and disrupt economic processes. For an industrial nation with an export dependency of almost 36% of GDP (the United States and Japan, by comparison, each depends on exports for only 10% of GDP), such a perspective is a disaster. And that is why German industry, the government, and all other leading institutions, including the churches, are opposing plans for an Iraq invasion.

German Chancellor Gerhard Schröder has said so repeatedly, as at his first press conference of 2003, on Jan. 14. Knowing that the war-hawks profoundly dislike his view, Schröder said that his position has not changed over the past few weeks, that it has rather been strengthened by the United Nations process that has been launched with Resolution 1441, a mandate for inspections, not for military action. Germany opposes a war, would not play any role in a war, nor help fund it, Schröder said. And at the UN Security Council, where

Germany took a seat as a rotating member this January, the Germans will vote according to this position.

German-French Concert of Opposition?

The Chancellor called for convening another session of the UN Security Council—not the Jan. 27 session to receive the weapons inspectors' update, but another one—before any action is taken. He also made clear that he fully supported the view of inspector chief Hans Blix, that more time was needed to carry out the inspections in an efficient and thorough way, and that the inspection task force should be given that time. While reaffirming that he is working with other EU leaders to formulate a joint European position, Schröder voiced doubts that British Prime Minister Tony Blair (whom he had met three days earlier) would join, as the British considered themselves firmly on the side of the Americans. Germany, Schröder added, would consult and cooperate with France, most of all, to prevent the war from breaking out.

Schröder met with French President Jacques Chirac in Paris that day, Jan. 14, and with French Prime Minister Jean-Pierre Raffarin in Berlin on Jan. 16.

There is awareness in the Chancellor's office that the massive increase of political and other attacks, even of threats to his life, over the most recent weeks may be more than just coincidence. Especially the conduct of certain media that are calling for his overthrow, or “predicting” his fall: for example, the London tabloid, *Mail on Sunday*, ran allegations on Jan. 5, that Schröder had an extramarital affair with a German TV personality. The story, spiced with bitter and sarcastic remarks from his former wife Hillu, included her “forecast” (which she later denied having made) that if there was such an affair, it would mean the end not only of his present marriage (with Doris Schröder-Köpf), but also of his political career.

No less nasty was a Jan. 9 editorial in the London *Times* headlined, “Germany Falling,” targetting Schröder directly. The *Times* wrote that not least because of the bad economic situation, “senior figures in his Social Democratic Party (SPD) are asking how and when he can be replaced. . . . Herr Schröder is being squeezed on all sides now, largely because of his failure to chart a clear course. He is having to modify Germany's opposition to war on Iraq, because of the need to rebuild relations with America.” The party and Germany “need leadership to save the SPD from defeat in Hesse and Lower Saxony” (the two states hold elections on Feb. 2). “If Herr Schröder cannot provide this guidance, the party should dump him for its own sake and for the future of Germany.”

There are not just psywar attacks of that kind, but also death threats against the Chancellor and his family, in the most recent period. These threats are taken very seriously by the German anti-terrorist agencies: Security protection of the Chancellor—for example, during election campaign events in Hesse and Lower-Saxony these days—and his family has been massively upgraded.

Central Americans Told To Forget 'CAFTA'

by EIR Staff

With negotiations on a U.S.-Central American Free Trade Accord formally opened on Jan. 8, 2003, the drive to extend the North American Free Trade Agreement (NAFTA) south to the Colombian border is on in earnest. The Bush Administration hopes the negotiations on "CAFTA" will be completed by December 2003, a goal considered feasible because the region's economy has already largely been swallowed by NAFTA. Several countries of the region no longer have national currencies, adopting the U.S. dollar instead. All of them depend on the flow of remittances from their unemployed nationals "exported" as cheap labor to the United States. The dislocation caused by dividing of millions of families forced to send family members abroad to survive, is merely symptomatic of the depth of physical economic destruction over the past ten years, which has driven Central America back to the brink of chaos. Protest demonstrations are occurring from Mexico to El Salvador against the free-trade agreements.

Thus, there was a strong response in Central America's largest country, Guatemala, when Marivilia Carrasco, president of the Ibero-American Solidarity Movement (MSIA) in Mexico, visited Guatemala City in late November 2002. Carrasco, speaking with the authority of a spokesman for Lyndon LaRouche's international movement, and of a Mexican debunking the fraud of the supposed NAFTA "success story," provided Guatemalan and other Central American leaders with whom she met, a detailed idea of the economic concepts required to defend the existence of nations in the face of the ongoing collapse of the world financial system. Rather than trying to live with free trade's destructiveness, Carrasco proposed that they join in building the alternative system for which LaRouche is organizing globally.

Carrasco was invited to participate in the Congress of Journalists of the Guatemalan Journalists Association (APG), held Nov. 28-29. She also met with researchers from the National University of San Carlos and with members of the Central American Parliament's Integration Commission, and was interviewed by Radio Universidad and other provincial radio stations.

Carrasco spoke to the Congress of Journalists on their responsibilities in the current world crisis. She emphasized the extensive ties between Mexico and Guatemala, which include the exiles who arrived in Mexico during the 1950s, among these Carlos Wer, a member of the organizing committee of the Congress of Journalists and the person who invited

LaRouche's movement to send a representative.

"The links between Mexico and Guatemala are historic, and I am sure that future relations will be even better," she said. "But not as part of a free trade treaty . . . which is just an extension of the current NAFTA. . . . Mexico and Guatemala have a common destiny as part of Ibero-America. I feel morally obliged to tell the truth about the economic disaster of Mexico under NAFTA, especially given the pernicious publicity campaign about its supposed successes, designed to convince Guatemala and the nations of Central America to join Mexico and the United States in NAFTA." NAFTA was conceived in order to guarantee that Mexico paid its foreign debt. In 1980, the country owed \$58 billion. In interest alone, it has since paid \$242 billion, but its official debt today is \$162 billion. Nor is Mexico any different from all the other countries of Ibero-America. Brazil owes today, what the entire continent owed in 1980; Mexico, Brazil, and Argentina alone owe \$989 billion.

"Under NAFTA, exports and Gross Domestic Product continued to rise even as the physical economy of Mexico collapsed. . . . The worst symptom is the change in Mexican exports: Half of them today come from the *maquiladoras*, which are not part of the national economy, but are large slave-labor plantations. Only a million jobs were created in the *maquiladoras* over the last ten years, while the country requires the creation of that number of jobs *each year*. And now, this sector is collapsing, as the U.S. economy collapses. More than one-half of the Mexican population is either unemployed or working in the informal economy, and the latter is increasingly falling under the control of organized crime."

Carrasco also exposed the fraud of the so-called Puebla-Panama Plan first proposed by Mexican President Vicente Fox in 2000. Puebla-Panama is touted as a plan to build up the infrastructure of "Mesoamerica"—defined here as the area from Puebla, Mexico south through Panama—which the Inter-American Development Bank has taken up as its project. In reality, Carrasco pointed out, Fox's plan came out of the mid-1980s proposals of the Kissinger Commission on Central America. At that time, Kissinger was campaigning to turn the entire Central American isthmus into a large Hong Kong-style free port, as part of a Ibero-American-wide Free Trade Area.

Central America should abandon the failed NAFTA, and consider founding a customs union, she proposed, but added that the spreading "Argentina" bankruptcy shows that there are no national solutions. Central America must join Mexico and the rest of Ibero-America in bringing about the total change of the international financial system into one that encourages growth and recovery, such as that promoted by Franklin D. Roosevelt.

"For Guatemala, as for any nation, the basis for peace lies in the economic, social, and cultural development of its people." Carrasco told the journalists they have a special responsibility to promote this concept, especially in a nation where 80% of the population is Indian, and 40% illiterate.

Water Infrastructure: \$1 Trillion Need in U.S.

Michael Sobol is a Board Member of the Metropolitan Sewer District of Asheville/Buncombe County, North Carolina, and a national activist for drinking water and wastewater infrastructure. He was interviewed on Dec. 6, 2002 by Marcia Merry Baker.

EIR: Treating drinking water and wastewater are obviously critical parts of our national infrastructure. Last August, the General Accounting Office estimated that we should be spending \$1 trillion over the next 20 years, for refurbishing and upgrading our water and waste treatment systems. But in recent decades, and now especially, major projects have been deferred. The funding issue is presented as insoluble.

You've had over seven years service on the Metropolitan Sewer Board in North Carolina, and you have a national overview of the infrastructure crisis.

Sobol: Let me give you a broad statement, from the conferences I've been to, and the engineers I've talked to across the nation. That estimate that was given by the GAO was pretty close. Our folks have pretty much come up with a similar estimate—anywhere between \$750 billion to \$1 trillion. And that addresses not only wastewater, but also drinking water. That's to repair the infrastructure.

So many of the lines that were built—they were made out of terra cotta pipes, or they were made out of Orangeburg pipes—they've been leaking, and they've simply been deteriorating because of the chemicals that have gotten into the lines from different industries, so the infrastructure itself has been breaking down. And a lot of the money that was to be used for that has gone for the expansion of new lines—to handle new developments.

Just to get it more locally, and to give you an idea of how much money is being spent: Four years ago, we saw a study that the County of Mecklenberg, which is where Charlotte, North Carolina is, had more bonded debt than even the state of North Carolina did!

Now, not all this bonded debt was associated with wastewater and sewer lines, and water lines. But a good amount of it was. It just shows you, to put in new lines, for new construction—because that's a very rapidly growing area down there—the amount of money that had to be borrowed to create this infrastructure is enormous. And yet, at the same time, very little of it has gone toward replacement of the old, existing lines.

Now, to get a little closer to home: In Asheville, North Carolina—and we are in Buncombe County, with approximately 200,000-225,000 people, and Asheville is approximately 70,000—the wastewater system, the Metropolitan Sewer District, of which I am on the Board, covers most of the county and all of the city. We had a comprehensive plan that went ahead; we hired an engineering firm to come in, and it took them about a year and a half to give us a master plan of what it would take to go ahead and bring our system—all the lines that we have—up to grade, so that we would not have what we call SSOs, sanitation sewer overflows (basically, manholes overflowing). And we are looking at in the neighborhood of \$250-300 million. So, Asheville being just one of many cities across the state, you can see that that figure is enormous.

EIR: You've had a chance to review the idea of what Lyndon LaRouche is calling a "Super TVA" approach for national infrastructure, for Federal funding, as opposed to searching for monies from localities and states in terms of bonded debt, under the current emergency circumstances. What is your thinking?

Sobol: Even before I even read anything from Lyndon LaRouche, I made several statements to our Board several years ago, and basically told them, that the rate at which we are moving, that is, the amount of money that we are borrowing—and we can still borrow many more millions because our district has a good credit line—but even if we continue to borrow the money, and the bondholders will go ahead and sell bonds for us, the ratepayers will not withstand the rates that are going to have to be raised to pay back these bonds. So even if we go ahead, and we do the best we can—and at the present time, we are spending millions each year to address this—but I said four years ago, there is a point where this Board member is just going to say, "Enough." Unless we get some relief from the Federal government, we can't go ahead and tackle this problem ourselves, and put this on the backs of the ratepayers.

EIR: So you were warning of this in 1998. What about the engineers and officials from other municipalities? Say, small, old towns in the Rust Belt, or the big cities of the East with old systems, like Philadelphia?

Sobol: Not only are they in extreme situations, but because of the fact that it is an extreme situation, it is one that—their boards, not being negligent, but simply just putting it off, didn't address a lot of issues that we did here in Buncombe County. We started this rehab program back in the early '90s. So we were kind of ahead of the curve. Not to place too many slaps on our backs here, but we have been addressing this, and we have had the state of North Carolina come to us, and review our master plan as kind of a template for the rest of the state. Because we are that far ahead of what's going on—not only in the state of North Carolina, but in the Southeast.



Filtering media of a 15-year-old sewage treatment plant in Virginia. Vast amounts of U.S. water treatment and runoff infrastructure is four to ten times that age, and breaking down; our national water-treatment “debt” is near \$1 trillion in replacement costs.

And yet, with us being ahead like that, *we still are facing the same problem: We don’t have enough money to do it.*

EIR: Your situation has some interesting particulars.

Sobol: We have here the largest home in America, the Vanderbilt home. And of course, then, when the Vanderbilts came down here, obviously, there were lots of other people—not quite in his league—that came with him. So there was a tremendous boom in the mountains of North Carolina, around Asheville, in the late ’teens and, of course, in the Roaring Twenties. We—meaning Buncombe County and the City of Asheville—put in lots and lots of miles of sewer lines to try to accommodate this anticipated growth.

And of course, unfortunately, the Great Depression came. And then, the powers that be in Buncombe County, and the City of Asheville, chose not to default on those bonds, and continued to pay those bonds, until they were completely satisfied in the mid-fifties. Now, whereas that was an honorable thing for us to do, and it was the correct thing for us to do, the flip side of that was, is that no money went to infrastructure repair. None!

So whereas, as with your own car, or your house, if you don’t do minimum repairs and maintenance—like the old Fram Filter commercial: “Pay me now; or pay me later.” And now we’re having to pay later. And having to pay a higher price, than had we gone in and done the repairs as we needed. But we didn’t have the money, because that money had to go to retire the bond indebtedness.

EIR: So even though your situation in and around Asheville, is not from around 1810 or 1850 or something, as in the sys-

tems in the older Eastern larger cities, you still have a particular situation in which you didn’t carry out the refurbishing you should have in recent decades.

Sobol: Correct.

EIR: How about your rates now?

Sobol: They’re at the top of the state.

EIR: What do residents pay?

Sobol: Average resident in Buncombe County/Asheville—a regular small family—would pay, probably, for water and sewer combined, around \$40-45 a month. Not a family of 4 or 6; but only 2 or 3.

EIR: Whereas in others part of the country, they might be paying half that, say \$20?

Sobol: Yes.

EIR: So your Vanderbilt tale further spotlights the plight of even older, more extensive water systems. They are in deep trouble.

Sobol: Correct. We need help from the Federal government. That’s basically the bottom line; it’s short and it’s simple.

EIR: You have tried working on Washington.

Sobol: We’re hoping to get some kind of a trust fund going. But look at the Administration: They’re now dismantling the Super Fund trust. . . . So the tone of the day is, let’s get rid of some of these trust funds—and yet, here we’re trying to come and set up another one.

EIR: So you’re talking about what kind of funding mechanism to have?

Sobol: Yes. A 20-year format that could try to address this \$1 trillion. We’re trying to figure out how to do it. The idea is in its infancy. We went to Congress last year, to try to get some money. And this money we tried to get—there were bills both on the House side and on the Senate side—was just for loans. What they call revolving state funds, RSFs. But the problem there is: That’s what it is—it’s a loan! It’s not a grant. So it still means you have to pay it back, even though you have a reduced interest rate. But you still have to pay it back. What are you going to pay it back with?

Of course, they didn’t even pass *that*. . . . But even then, it was only \$10 or \$15 billion, so it was just a drop in the bucket.

EIR: So it’s the same as the transportation sector—passenger rail, and all the rest. No funds, and a crisis all the way around.

Sobol: Oh, yes. We know it’s a long, uphill battle. But it’s

One of the largest contributing factors to the good health of the world—especially in the United States of America—is our sewer systems. All the antibiotics, all the other good strides in medicine, take a second seat to what having treated wastewater has helped prevent, in the case of so many different diseases.

just one of the things we're committed to do, to try to push this forward. And try to come up with a good game plan on how to sell it, and try to sell it on a grassroots basis.

EIR: If we had the funding to rev up and start tomorrow, what's involved? What are the technologies?

Sobol: Technology has improved. But let me back up and say one thing. Keep in mind, that talking about wastewater excites no one. But everyone needs to keep in mind, that they're talking about what is one of the largest contributing factors to the good health of the world—especially in the United States of America—is our sewer systems. All the antibiotics, all the other good strides in medicine, take a second seat to what having treated wastewater has helped prevent, in the case of so many different diseases.

We need to continue that. We need to continue to be able to keep the wastewater in the pipes. The pipes we have in the ground are simply deteriorating. There is lots of new technology that is coming along. Fortunately, it's not moving at the rapid speed that computers are, because we do have to deal with the ground.

But one of the things, is lining of the pipes. The price of that has come down tremendously. This technology originated over in Europe. And basically, the reason that it did, is because they had to have some way to re-line, or to deal with broken-down sewers underneath these old buildings—cathedrals, you know. You're not going to tear down a 1,000-year-old cathedral to replace a sewer line. So they came up with this technology. And yes, it is coming down, on a linear-foot basis, each year.

Unfortunately, it still costs a lot of money. Still, the cheapest way to deal with sewer lines is what we call "dig and replace." You have to go in and dig them up, and simply replace it. However, if you are in an open field, that is true; but when you get downtown, and you have to deal with all the utilities, and you have to tear up streets, you have other buildings; that is where the advantage of the lining—what we call slip lining—comes into effect.

EIR: Could you describe it for the layman?

Sobol: It's like putting in a wet sock—it looks like a sock. You pull this wet sock through this sewer line. First of all, you have to go through there and clean it out, and make

sure all the rocks are out of the way, and all the debris. You pull this wet sock, that has chemicals on it, and then once it gets to one end—and you usually do about 400 feet at a time—then you plug up both ends. You pump steam into it, and it blows it out, like a balloon. And it pushes it up against the side of the existing line on the inside. Then the hardeners in there, set after a period of time—about 30 or 40 minutes, something like that. Then the whole inside of this pipe now has this plastic lining in it, that will last many, many more years than concrete pipes ever thought about.

EIR: So it extends the engineering life.

Sobol: Exactly. . . .

But not only that, we have ways of putting people to work.

EIR: If the Federal intervention started, the funding, and the contracts were going out, what would happen? Give us an idea of job creation.

Sobol: It's not as broad as it would be under programs that were set up back in the Depression . . . because it is a little more skill-specific. However, you still do need lots of laborers, in just, simply, all the aspects of digging a trench, putting in pipes, moving gravel. You've got truck-drivers. You've got welders. You've got machine-operators. And of course, even though that's not the majority of any economy, that is the beginning of the multiplier. And that is where the real effect would come from, is the multiplier effect of these dollars, as they are recycled back through the economy.

EIR: What about the engineering skills, especially in some of the larger cities, where they have complex systems, and have deferred upgrades? Would it set up a big demand for youth training?

Sobol: It certainly would. As a matter of fact, right now, the engineering profession is a lot like the teaching profession. Both of those fields are looking for good folks. But we are going to be needing more and more engineers for just the wastewater and drinking water side of the equation, than we have right now. All the engineers—mechanical engineers, electrical engineers—all phases of engineering would be greatly affected by what we need to complete these projects.

LaRouche Calls On Youth Movement To Make a Revolution

by Carlos Wesley

Scores of youth, many of them members of the international LaRouche Youth Movement, gathered in various capital cities of the Americas and of Europe at year's end, to conduct a dialogue with U.S. statesman Lyndon H. LaRouche, and with his wife, German political leader Helga Zepp-LaRouche. The essential message that LaRouche conveyed to meetings in Mexico City, Los Angeles, Seattle, Copenhagen, Budapest, Berlin, Wiesbaden, and Paris, was what he transmitted by telephone to 45 of these youth at a Dec. 27 seminar in Lima, Peru:

“Well, we live in interesting times, in a situation in which so-called ‘traditions’ will not work; so-called ‘generally accepted values’ will not work. We’re in a general breakdown of civilization as it has existed in recent decades. There are no local or national solutions for any problem. There has to be a solution, in terms of sovereign nation-states, but the solution will have to be a global solution.” He added that the world financial system has only weeks—at most, months—to survive.

“So therefore,” LaRouche told the Peruvians, “we are in the course of making a revolution, which is essentially a *cultural revolution*, globally. The cultural revolution is quite normal. It’s typified, as in all history, or most history as we know it, by youth revolutions. That is, when the existing adult generations become hopelessly decadent, then only the intervention of a young generation, which introduces a *cultural* change toward a culture which is viable, and away from the prevailing culture which is *not* viable, which is inherently doomed, can save civilization.”

He went on, “We’re trying to build a youth movement. This youth movement is not a youth movement as most people understand a youth movement. It is an educational movement, based on a Platonic conception of man, essentially, on the basis of fundamental physical discoveries,” unlike “the general bankruptcy of the universities and the so-called ‘intelligentsia’ of today.”

LaRouche’s Peruvian audience included students from San Marcos University, the National Engineering University, and 11 students from the National University of Huacho, some 200 kilometers northwest of Lima.



Lyndon H. LaRouche, Jr., speaking by telephone to a meeting of young supporters in Lima, Peru on Dec. 27, 2002, declared that the intervention of youth has become indispensable in this time of international crisis, to introduce “a cultural change toward a culture which is viable, and away from the prevailing culture which is not viable, which is inherently doomed.”

We “have an opportunity,” he said, “a very brief opportunity, historically—in which an intervention *to change* and replace defective cultures, defective educational systems, and so forth, can occur. Only if those changes occur, will society survive. Those changes do not occur as a result of spontaneous ‘popular’ reaction against bad ideas—because the bad ideas *are* in the population! They will come by a leadership which is capable of changing the population’s values. And you do that, essentially, by organizing young people, generally in the 18- to 25-year range, as a group.” You must educate them, LaRouche added, with methods like 18th-Century mathematician Carl Friedrich Gauss’s fundamental theorem of algebra, to develop the cultural and scientific perspective required. In the dialogue that followed, LaRouche elaborated on this question of method.

In her intervention, Helga Zepp-LaRouche approached the same subject from the perspective of Classical art, and the importance of the aesthetic education of man, as posed by the great German poet and playwright Friedrich Schiller. Zepp-LaRouche also went into detail about the Eurasian Land-Bridge, as the motor for world economic recovery: Learn the lesson of Germany’s Weimar Republic, she said, whose failure to adopt the 1931 Lautenbach Plan as a means of ending the Great Depression gave rise to Hitler’s seizure of power. The world must not repeat that error now, she insisted. (Her speech was excerpted in last week’s issue.)

Important roles in the Lima “cadre school” were also played by Luis Vásquez, who heads the LaRouche movement

in Peru, and by Sara Madueño, *EIR* bureau chief, and president of the Schiller Institute in that country. Engineer Alembert Pácora gave a class on constructive geometry as the language that makes intelligible to mankind the laws which govern the physical universe. Pácora guided those attending in reproducing for themselves the act of discovery of circular action, as the action from which geometry was born. Another leading Peruvian LaRouche activist, Manuel Hidalgo, extended that discussion with a class on Gauss’s fundamental theorem.

One of the most striking moments occurred when the Lima audience received a phone call from two U.S. representatives of the LaRouche Youth Movement in Los Angeles—Elizabeth Nash and Freddy Coronel—who carried on an interchange of ideas with their Peruvian colleagues, moderated by Yanina Quispe, Dino Gavancho, and Justo Vargas, on their respective experiences in organizing.

What Is Leadership?

The LaRouches also spoke by telephone from Germany with some 30 youth who were meeting in Mexico City on Dec. 14-15. As in Peru, Helga Zepp-LaRouche’s presentation to the Mexican youth (who had travelled from all over, including Monterrey, Hidalgo, Querétaro, and the state of México), compared the disaster that resulted from Weimar Germany’s failure to adopt the Lautenbach Plan in the early 1930s, with the successful recovery launched in the United States by Franklin Delano Roosevelt. The following day, Lyndon LaRouche spoke on the question of leadership, and specifi-



Peruvian engineer Alembert Pácora, in his class on geometry, guided the audience in making constructions demonstrating the primacy of circular action, rather than arbitrary axioms.

cally: What is the role that each one of us must assume at this historic moment?

“We now have a *real* youth movement in the United States,” LaRouche told the Mexican audience. “Not a *sans-culotte* youth movement, but a youth movement of people who are functioning like a university on wheels, who are studying some of the most profound concepts, the essential concepts of science and history, at the same time they’re doing the laboratory work, on the streets, in the university campuses, in the parliaments, in the legislatures, and other institutions. They’re exerting leadership. They are inspiring people of an older generation, who otherwise would be moral and intellectual corpses, to come out of their death-like state and to get out there and do something. And these people *are* being inspired. They’re say, ‘Hey, these young people are moving. It’s wonderful. We do have a future.’”

“So you guys have got to create that impression in places such as Mexico, that there is a future. And to mobilize young people to do their work, to provide that kind of leadership, to inspire older generations, who are still living, to believe again, that there is a future. To waken them out of their torpor, and get them in motion.”

LaRouche added, “I think we’re going to win.” (The text of his speech, and some of the discussion, is printed in this section.)

Rubén Cota Meza, member of the Executive Committee of the Ibero-American Solidarity Movement (MSIA), spoke on how to turn a dark age into a Renaissance, and Mariví Carrasco, president of the MSIA in Mexico, spoke about Miguel de Cervantes from the viewpoint of Friedrich Schiller and LaRouche. Ronald Moncayo, along with his nine-year-old daughter on the violin, demonstrated how Classical art transmits higher ideas. Rosa Sánchez Cota drew out a peda-

gogical discussion around the Cardan Paradox. Ismael Monge gave a presentation on the Golden Section, and several of the youth offered other contributions during the two days of animated discussion, which, as one participant put it, just “ran out of time.”

A highlight of the Mexican meeting was the youths’ performance (including an 11-year-old) of Cervantes’ short play, *Pageant of Marvels*.

The Tragic and the Sublime

Several days later, on Dec. 19, the LaRouches met in person with a score of youth in Berlin. There, as in a three-hour meeting they had held Dec. 7 with some 60 people during a visit to Paris, and during telephone interventions they had conducted during an educational weekend in Copenhagen with nearly 20 youth from Scandinavia, the LaRouches elaborated on the scientific work of Gauss in overthrowing the mathematical axioms of his day, and on the concept of the role of the individual in history, which, they insisted, must be that of affirming the *sublime* over the tragic.

Lyndon LaRouche presented the contrast between the tragic figure of Denmark’s Prince Hamlet, and the sublime figure of the peasant girl Joan of Arc. The difference lies in the fact that, while Hamlet never broke with popular opinion, but rather surrendered to the culture of his era, Joan assumed responsibility for the fate of her country. To achieve her mission, she was fully prepared to give her life, but through her death she saved France, establishing the basis for the founding of the first modern and sovereign nation-state under Louis XI, and saved the Papacy.

It is in the dominion of the sublime, in committing oneself to that kind of immortality, that true leadership lies, LaRouche said.

Providing Leadership For a Time of Crisis

Mr. LaRouche gave this presentation by teleconference from Germany, to the cadre school in Mexico City, on Dec. 15, 2002. We include some of the discussion that followed.

You probably all have been acquainted with what I said in Budapest on Thursday evening, at the Schiller Institute event there.¹ So I think you probably are familiar with it. If you are not, you should be, I think.

This is the theme which is going to appear in my Jan. 28 “State of the Union” Presidential message, which will begin by saying that the President will have spoken—George W. Bush, Jr., has given his report of the state of the union—and now his successor—*me*, will present mine! And that is supposed to be a *double entendre* of certain significance.

But the point is, is that the key issue here, throughout the world, is the issue of leadership.

We’ve come to the end of a long process—especially about the past 37 years or so, since the beginning of the Indochina War, in which the world has undergone a transformation, especially the Americas and Europe, from what had been a producer-oriented society, to a parasitical, consumer-oriented society. And this has resulted in phenomena such as the *maquiladoras* in Mexico, and so forth—the destruction of Mexico’s potential development as a true republic with advanced industrial and agricultural capabilities.

We’ve seen the virtual destruction of most of the nations of the Americas. Ecuador no longer has any sovereignty; it’s totally dollarized. The Central American countries are virtually destroyed. Venezuela is a bunch of idiots, squabbling among each other over a lunatic, who’s the President. A drug epidemic, which is really not being controlled—drug terrorists—in Colombia. The threatened destruction of Bolivia, by sending it back to the narcos. The temporary destruction of the true sovereignty of Peru. The horrible things that are being done to Argentina. The threats to Brazil. The situation in Paraguay and Uruguay. And so forth and so on.

Then, of course, Africa—that’s another case, where virtually genocide is going on. Anglo-American/Israeli genocide south of the Sahara Desert. And it’s deliberate.

And now the whole system, the whole international financial system is collapsing, and carrying the economy down

with it. This thing is coming on fast. We’re in the last phase before a terminal collapse, a general breakdown crisis of the entire world economy, or at least most of it.

So, at this point, you have a situation in which the parliamentary parties of the world generally do not work. They are in complete breakdown. For example, the Republican and Democratic Parties, under their present leaderships, are incapable of doing anything. It may do something bad, as a matter of accident. But it is not capable of doing any good. A similar situation exists among the parties in Europe. There are political elements in parliamentary systems, which have a certain capability, a certain virtue, but when one tries to get the majority of a major party, or a major combination of government to do something, it breaks down. They all fall short of reality. And of course, that’s the situation, pretty much, around the world.

So, now we’re faced with a problem of leadership, which has two aspects to it, as the problem does. First of all, people have been conditioned over the past 35-odd years, to a new set of values—so-called “post-industrial society,” environmentalism, and so forth. It is this change, from an emphasis on production, and development of production, to consumer society, to post-industrial society, an imitation of the decadence of the Roman Empire—a decadence of Rome from about the end of the Second Punic War; this kind of decadence has gripped the world.

And there have been cultural changes—the destruction of Classical culture, the destruction of education, the destruction of all kinds of institutions, destruction of infrastructure. And all of these parties, and these so-called leaders, are conditioned to operate within the assumption that the trends which have been established within the past 35 years are not reversible. That maybe, solutions might exist, but the solutions have to fit within the generally accepted trends up to now, of the past 35 years.

And for precisely that reason, none of the governments, and none of the political parties, in most of the world, are capable of doing anything. Certainly not the present leadership of the Democratic and Republican Parties in the United States.

Parliamentary Politics Won’t Work

Now, this brings up the question, of what kind of leadership is required in a time like this. Because you can no longer go by popular opinion. You come to a point—because democracy signifies popular opinion, and because popular opinion is hopelessly, morally degenerate—you come to a point in which all the political parties, the parliamentary systems, *don’t work anymore*.

So, therefore, there is no democratic solution in the conventional sense of parliamentary politics. It doesn’t exist. This means, as we’ve seen in the case of the way in which the Iraq war was, at least, postponed, if not deferred indefinitely, this came chiefly, from what would be called, the ministerial side

1. See “How To Reconstruct a Bankrupt World,” *EIR*, Dec. 27, 2002.

of government. That is, the U.S. Presidency. Not all the elements in the Presidency, but the institutions of the Presidency reacted to this, and said, “We, the majority, effectively, we will not do this.”

And the parliament—the Congress—failed to do anything significant. The political parties, including Clinton, failed to do anything. We did it through the Presidency, the Presidency of the United States. That is, the institutions of the Presidency, the majority of them, including the military, moved to make a shift, of strategy, into the United Nations Security Council, to get it out of the hands of the chicken-hawks—these war-making draft-dodgers, who are controlling the war policy. And, in the process, to get Saddam Hussein to accept an agreement with the United Nations, under which the United States would not go to war.

We succeeded so far, in preventing a war from occurring in September, when it was likely. In October, when it was likely. In November, when it was likely. In December, when it was promised. And we’ve now so far, seem to be have pushed it into January, possibly February; if not there, we’ve got it out of the way for the time being. So that was done that way.

Now, this is dangerous, because, as I’ve said otherwise, we have to compare such a period like this, with a period in Germany, and around the world, between 1928 and 1933. And look at Germany in particular.

In 1928 you had the fall of the Müller government, because the plan for reorganizing the international debt structure—then the Versailles debt structure, didn’t work. The Müller government collapsed. That was the collapse of formal democracy as a mode of government in Germany—in Weimar Germany. You had, therefore, a succession of ministerial governments—that is, governments which were appointed by the head of state. Not elected. Then finally, you had von Schleicher, who was a good choice of ministerial government, but on the 28th of January 1933, Hindenburg, under blackmail, and under pressure from U.S. and British bankers, kicked von Schleicher out, and put Adolf Hitler in. Then, with the Reichstag fire, emergency laws were enacted, under which the Nazis established a dictatorship, in various successive steps. But from that point on.

So we’re now in a period like that. Fortunately, we had Roosevelt in the United States, otherwise we would have had a fascist dictatorship in the United States too.

Now we’re back in that kind of period, in which, for a short period of time, *perhaps*, ministerial governments—that is, governments without a real parliamentary base, will act to prevent terrible things from happening, maybe. But that will not go on indefinitely. If we do not get new leadership, if we can not reform the processes of democracy, so they correspond to reality, rather than to present-day popular opinion, we are headed for probable dictatorship, or total chaos throughout the world—one of the two.

The Example of Jeanne d’Arc

Therefore, what kind of a leader do you require for a period like this? And that’s the question I posed in this Thursday evening presentation in Budapest.

And I’ve used, again and again, this comparison of the historical Jeanne d’Arc, who is actually accurately portrayed, in principle—with some dramatic license, but in principle, correctly—by Schiller, in his play. You contrast that with Shakespeare’s Hamlet, which I did there. And Hamlet was incapable of leading his nation, Denmark, or the legendary Denmark, in a period of crisis.

Jeanne d’Arc, on the other hand, in a period where perpetual warfare was likely, intervened with her leadership, to save European civilization as a whole. Her sacrifice, her determination not to compromise, resulted in the British being kicked out of France, the first modern nation-state was established in France, under Louis XI, as a result of this. And later, you had Henry VII, in England; the defeat of Richard III, the tyrant, resulted in a second nation-state.

But then, you had this Venetian process, and so forth and so on, which was an anti-Renaissance movement, led by the Venetians, and by Charles V, and the Hapsburgs generally, which drowned Europe in prolonged religious war. And out of that you got this horrible mess called the Anglo-Dutch liberalism, which, together with the Hapsburg reign, destroyed much of Europe. Europe was saved from that, but Europe never got an actual, modern republican government.

At this time, as through most of this period, the governments of Europe are based upon the neo-feudal model of a parliamentary system. These parliamentary systems are characterized by a lack of a real head of state, and a control over the parliamentary government by an independent central-banking system, which has veto-power over the economic and related policies of the government. It is a tyranny of financial interests, which exerts its command over the state, above the state, through its control over the central-banking system, which is nothing but an agency—not of banks, but of financier interests, who control, and destroy, and create banks.

So we’ve come to a point, in which a fundamental change has to be made, in which the governments of the world generally, and the popular opinion of the world, is insane. So you have to have a leader as you did not have, in the case of Hamlet, as you did have in the exemplary case of Jeanne d’Arc, who intervenes in a seemingly impossible situation, to introduce a principle upon which the revival of society, or its step upward, can be accomplished.

Now the person who is capable of doing that, requires certain qualities. Democracy will never do that for you, by definition. Democracy in a time of crisis like this, is a *failure*, and always will fail. Because popular opinion will fail, because it’s rotten. It’s wrong. Therefore, you have to have something exceptional introduced into this situation to save society.



The principle of true leadership is dramatized by the contrast between Joan of Arc, whose sublime, selfless action saved her nation, and Hamlet, whose fear of immortality led to the destruction of the Danish kingdom. (Here, a statue of Joan in Paris; and actor Derek Jacobi in a PBS production of Shakespeare's play.)

What are the qualities of a leader, who goes *against* popular opinion, as a leader, and has the knowledge and will to lead society out of its own self-destruction? Hamlet did not. And what was Hamlet afraid of? Hamlet was not afraid of death. Hamlet was a soldier. A killer! By instinct and profession. But he knew that he was wrong. But as you see in the famous Third Act soliloquy, he states that he could fight, but what happens after you die? It was not fear of death that caused Hamlet to fail. Quite the contrary: It was his fear of immortality.

Now, immortality means, to a leader—as a functional characteristic of a qualified leader for a time of crisis—immortality means, what it means in the case of Jeanne d'Arc: the ability to go against popular opinion, on the basis of willingness to spend one's life, even by death, for the sake of future generations, and for the sake of the long process of humanity's existence.

Therefore, only a leader, who operates from that kind of sense of immortality, which is shown in one case by Jeanne d'Arc, and is shown by every great leader in a time of crisis—

For example, in the case of France, when France was about to be destroyed by a fascist coup d'état over the Algeria issue, Charles de Gaulle for a moment in that case, as well as other times, showed himself a true leader, by standing, on television, before the French nation and the world, describing the crisis, and saying, "*Aidez-moi.*" "Come to my assistance." And he succeeded. They came to his assistance. The improbable thing happened. He saved France from the fascist coup.

Because he was willing to put his life on the line, for the sake of the immortal outcome of his life for future generations.

Now it wasn't entirely a success, as we see today. But it was a great moment. And it was a moment of true leadership.

We've now come to a time where that quality is required. Those of you, who are adopting the role of becoming leaders, or becoming part of a leadership of society, will find the only source of strength you have, that really counts, is your commitment to the future of humanity and the nation. And your willingness to spend your life's energies, in devotion to the *outcome* of your life. To spend your mortal life wisely. Not to get killed prematurely! That's not in the program. But to risk everything—fortune, welfare, security—everything, for the sake of your immortality: what your life will mean to future generations.

And only a person who has that kind of commitment, who has development which qualifies them in knowledge to do that job, can be a leader in time of crisis. And as you look around you in this hemisphere, for example, there are very few people who can do this. For example, *I'm probably the only person, the only living person in the United States today, who is actually qualified to become the President of the United States under these conditions—under these world conditions, as well as U.S. conditions.*

So that's the point. And what one has to do: Looking at things in that manner, gives you an instinct within yourself, for knowing what you need to understand. What you need to do, how you need to proceed, to mobilize people for this.



The LaRouche Youth movement—“like a university on wheels”—shown here organizing in Chicago.

Build a Youth Movement

Generally, the leadership will work the following way: We have now a youth movement in the United States. It took about three years to get it started. As you will see, it is now working well. Who says it is perfect! Nothing is perfect. But it's working well. We have a *real* youth movement. Not a *sans coulottes* youth movement, but a youth movement of people who are functioning like a university on wheels. Who are studying some of the most profound concepts, the essential profound concepts of science and history, at the same time they're doing the laboratory work, on the streets, in the university campuses, in the parliaments, in the legislatures, and other institutions. They're exerting leadership.

They are inspiring people of an older generation, who otherwise would be moral and intellectual corpses, to come out of their death-like state, and to get out there and do something. And these people are inspired; they say, “Hey, these young people are moving. It's wonderful. We do have a future!”

So, you guys have got to create that impression in places such as Mexico: that there is a future. And to mobilize young people to do their work, to provide that kind of leadership, to inspire older generations, who are still living, to believe again, that there is a future. To waken them out of their torpor, and get them in motion.

I think we're going to win. We have no guarantees. It's going to take everything we have in us, to do the job we have to do. But I think we're going to win. I can smell victory. And

I would like you to have that smell too.

So go ahead, and “shoot me”! What have you got to ask?

Dialogue With LaRouche

The Judeo-Christian Heritage

Q: I think that Judeo-Christian civilization has given us a great contribution to this victory. As you say, you can “smell victory.” This is very important. However, we have also seen a pessimistic society: this process which has led to a post-industrial age. My question—what I wonder—is what have really been, let us say, the failures of our Judeo-Christian culture, its axiomatic or ontological shortcomings, which allowed for this process to take place, which should never have occurred? If these can be identified—although of course we know perhaps that they have been undermining these principles. On the other hand, I also wonder whether we might not be now at the threshold of victory, of arriving at a deeper cultural concept, a higher conception of culture which would give rise to a better civilization; which, as the Pope has said, would be a “civilization of love.” This is a concept which I wonder about, and I would like to know if you have any thoughts on this?

LaRouche: Yes, I have a very definite and specific response to this question. You mentioned the Pope. Now, he's one of my friends; he's one of my boys. He's a little older



Pope John Paul II and the late Cardinal Francis Xavier Nguyen Van Thuan. Cardinal Van Thuan's "spiritual exercises" embody the Platonic method which is also at the core of LaRouche's work.

than I am, not much; and he's fighting, and his health has improved lately, which pleases me greatly, considering all things. We just lost a great friend who died recently of cancer, Cardinal Francis Xavier Van Thuan. He was head of *Justitia et Pax*. Some people consider him as having been a person who was a candidate for the succession to the papacy. He was a dear friend and he and I had a special relationship. We knew each other—Helga and I knew him back in the 1980s, when he was still a younger bishop in *Justitia et Pax*, and we had a pretty good relationship.

But then, I met him again and he had written a book called *On Spiritual Exercises*, which I've referred to. This book was the result of—the Pope had invited him to present this lecture on spiritual exercises to a convention of bishops in the Vatican. And the Pope had concealed himself during the presentation in the adjoining room with an open door, where the bishops in the audience could not see the Pope. And then the Pope appeared after the lectures to embrace the presentation. Then the book was published.

Now, this book, while the subjects are simple theological, biblical themes, represents my method, my Platonic method. What are called spiritual exercises, in true terms—that is, exercises which actually evoke the sense of the spiritual quality that distinguishes man from the beast—these exercises are *purely Platonic*. There is no Aristotle in any of them. They are purely Platonic, as all Christianity is purely Platonic. Be-

cause, what the spiritual aspect is, as identified with Vernadsky, as an example: we have three categories of efficient universal principles in the known universe. The first we call "abiotic," non-living processes, as Vernadsky defined that from the standpoint of physical chemistry. You have a second group, which are physical effects which are generated *only as effects of action by living processes*, not non-living ones. They are never generated by non-living processes, only by living processes. This defined what Vernadsky defined as the "biosphere," that is, an area which includes non-living processes and living processes, in which the living processes, in the long term, are transforming the non-living universe into a fossil of a living universe.

Then you have a third category, of physical effects which are introduced to the universe only by the mental actions of man, which can not be copied by any beast. This third category, we call spiritual, or the domain of reason. Thus, we have three categories of universal physical principles. One, the so-called abiotic, the non-living principles. Secondly, the principle of life, which exists among the animals, for example. Thirdly, we have the spiritual concept, which is reason. The spiritual quality of man can be explicitly addressed only by spiritual exercises of the type that conform to Plato's Socratic dialogues. The only method.

Corruption in the Church

Now, when you look at matters in that way, and you look at the condition of the Catholic Church and the decadence in the Catholic Church, as I do, you find that there are a few priests and missionaries, especially missionaries, or people of missionary disposition, who care about the inside of the minds of the people with whom they are working, to whom their mission assigns them. As opposed to someone who is merely doctrinaire, laying down the line, you know, the party line for the Church. And the party-liners tend to be corrupted all too easily, especially with lack of inspiration. So therefore, you have a Church, which as we know in the case of the U.S. Church, is predominantly corrupted. Those priests in the Catholic Church in the United States who are not corrupted—priests and nuns—are a minority. And once you take the slide down toward corruption, you tend to go all the way, which is some of the problems we have there.

You have a similar sort of thing in Germany, where you have outright fascism, Satanic fascism, as expressed by leading circles of the Church there. You have the French problem, where there's some question as to whether Napoleon is God or not. Then you have the problems in Italy. In the Italian Church in general, you have a lot of good people in the priesthood and in the congregations. In the Curia, you have some problems, internationally influenced problems.

So, what has happened in the collapse of society, is that the Church has not measured up to its mission. We've had some great Popes—from Leo XIII, Benedict, Pius I, Pius II, and of course our friends, including Paul, including John Paul

II—but the Church as a whole has not been living up to its mission. And if you live inside the United States in particular, you know it very well. You find all these fellows who are Adam Smith followers. Well, Adam Smith, theologically, is a Bogomil cult, a Cathar cult. Calvin himself was a Bogomil in terms of his theology. And you have priests who are teaching that sort of thing. The problem is that many of these bishops and priests depend upon money. Where does the money come from? It comes from wealthy families, financier families. And the priests and bishops are attuned to this money, which comes from these wealthy families, and they are careful to shape their conduct in ways which will not offend these sources of wealth.

We had a friend of ours, Stefan Kozak, who was a U.S. diplomat, a senior, professional diplomat, who died a few years ago. Now, Kozak did an investigation for the Vatican of the problems inside the clergy, and the large-scale homosexuality which was prevalent, was documented. The role of the bishops' negligence in sending priests to universities where they studied William James' *Varieties of Religious Experience*; or you had this pseudo-Catholic faction at Chicago University around people like Leo Strauss and so forth. The corruption is immense. It's this type of corruption. So you have corruption *in the Church*, and it's been there for a long time, and you have those who fight against it, like the Pope and like our dear, departed friend, the Cardinal. But the problem is, the quality of leadership has been largely lacking.

Now, this is, unfortunately, the usual case of mankind. Until mankind rises out of what we see today, the level of popular opinion, mankind will always tend to slide into decadence. And it's only then, through times of crisis, where fortunately some leadership appears of quality, that mankind is able to crawl out of this kind of decadence and survive. In the long run, I'm optimistic that, as mankind, we shall succeed in curing this problem of epidemic, or endemic decadence, which causes these cyclical behaviors in cultures.

But the problem today is, you can not say that the Church as an average institution is an efficient institution for combating these kinds of problems. The Church, by and large, has become increasingly corrupted by precisely these kinds of problems. And it's corrupted largely by one thing: the lack of priests and other leaders who actually embody the method of spiritual exercises that is the Platonic method, the method of Plato's Socratic dialogues—which is epitomized, in terms of Biblical New Testament issues, by Cardinal Van Thuan. It's the lack of a sufficient number of such priests and others, with that specific quality of commitment to spirituality, and the prevalence of priests who have an inferior understanding of spirituality which melts too easily under the corrupting pressures of the surrounding society. That's the problem.

So, I'm confident. *I have confidence in myself* on this question. I embody the principle of spiritual exercises. That's my method, it's what I've always relied upon, at least in all my adolescent-to-adult life. That method. I know some people

in the Church, like the deceased Cardinal. I see the same reflection in the Pope. I see it in some other leading figures in the Church, who represent that same method. So we have a certain kinship, based on having the same method. But I can tell you, when you get outside that, you get some honest good priests who will respond to that, but you also get a lot of members of the clergy, and others, who are totally corrupted by the present society, the present culture.

And then you go over to the other side, you look on the Protestant side, and you've got a much more serious problem, in general. You have the prevalence of this Moonie cult, which actually had a big control over the Christendom College crowd, among other things—was integral to it. The so-called Christian Coalition was totally corrupted by this stuff. We had a fight against that, because of that.

So, we have the problem, and the answer to such questions, the question you posed, is extremely important, but you've got to know where the answer lies. The answer lies in those of us who have a devotion to the concept of spiritual exercises which I've identified. And it's upon *us*—whether we're in the clergy or not—on whom the rescue of civilization depends for our role as leaders.

Has Technological Progress Failed Us?

Q: My doubt is in respect to my education. I received an education according to which, with respect to the knowledge of man, everything was cumulative, and the education that we receive today, everything that is taught today, they say that we are better in this epoch than in the past, precisely because of the question of so-called technology, that we are now better off than in the 1960s or the 1430s, because of the scientific principles that were discovered. But, what draws my attention is that this isn't the case. Which process is determining—because I see that there has been an advancement in technology, but if we don't have the cultural conditions that transmit those discoveries, what would happen to that knowledge if we don't have a transmission into the relationships of human beings?

LaRouche: You have to have clarity about the nature of this transmission of knowledge. The first thing you have to understand about European civilization, of which we're all a part—we who are speaking together today, chiefly—European civilization is a little over 2,700 years or so old. It has two leading currents in it. One is the Classical current, as typified by Plato, and Pythagoras before him. The other is the reductionist tendency, which is typified by the empiricists, the Aristoteleans and so forth and so on. Those are the two currents.

In the whole span of this, there was the rise in Greece to the point of the stupidity of the Peloponnesian Wars, which destroyed Athens—destroyed itself, and much of Greece besides. But from the destruction of Greece in the Peloponnesian Wars, a group of the followers of Socrates, such as Plato, developed a program for the revival of the kind of knowledge

and development which had been placed in jeopardy by such events as the Peloponnesian War.

So, from this we have, in the last period from about the time of the death of Socrates [399 B.C.] until about 200 B.C., the death of Eratosthenes in Egypt, and Archimedes' murder by the Romans, you have a period which is dominated largely by Classical culture. A Classical culture which in turn is dominated by the Pythagorean tradition and, specifically, by Plato. All the great accomplishments in science and knowledge of ancient Greece, are consistent with the teachings of Plato, not with Aristotle.

Then, you have the rise of Rome from about 200 B.C., toward the end of the Second Punic War, the conquest of southern Italy, the invasion and conquest of Greece and so forth, these developments characterize the rise of Rome. Now, Roman culture was a degenerate culture, despite a few figures like Cicero and so forth, but was a degenerate culture, as Augustine describes it. And the prevalence of the Roman Empire imposed a long wave of degeneracy, which dominated all European and Mediterranean civilization from about 200 B.C. until the 15th-Century Renaissance in Europe. The 15th-Century Renaissance was the revival of Classical knowledge.

Many Renaissances

There had been revivals before. The important role of the Arab and Jewish renaissance in Spain, as typified by the case of Alfonse the Wise, or similar things with Frederick II in Italy, before he was killed. And a similar thing around Charlemagne, with the Abassid Dynasty in that time. So, there were many renaissances. Augustinianism was generally crushed in Italy; moved to Isadore of Seville, was crushed to a large degree there; and moved north to the Irish; and it was the Irish monks who civilized the Saxons, who civilized some of the Franks and created France. But then the Normans were sent in to destroy Christianity by conquering the Saxons. And so forth and so on. And Europe was dominated by this long wave which was predominantly evil, even though there was some persistence of progress, as in the cathedral-building of Chartres and so forth, in the meantime.

So, it's only with the 15th Century, in the wake of the New Dark Age of the 14th Century, that there was a revival of Classical Greek method; i.e., the method of Plato, in Europe. The Venetians—who were the imperial maritime power, a financier oligarchy, which dominated Europe from about the time of Otto III as emperor of Europe until the end of the 17th Century—the Venetians staged a counteroffensive against the Renaissance; and the rise of the Hapsburgs, as in the case of Charles V of Spain, is an example of this. But from about 1511 to 1647, all of Europe was destroyed by religious wars which were orchestrated entirely by the Venetians. They created the Protestant sects and they created the other groups, and they set each against each other's throats in bloody warfare, to attempt to destroy civilization.

The Venetians introduced a reductionist philosophy. You

had two versions: one was a neo-Aristotelianism, which was introduced by Venice at the beginning of the 16th Century. Then, near the end of the 16th Century, Paolo Sarpi introduced Empiricism. And Empiricism and Cartesianism became—together with Existentialism and later Positivism—became the reductionist currents that dominated all aspects of European thought, *in conflict with* the Platonic current flowing through Nicholas of Cusa, Leonardo da Vinci, Kepler, Leibniz, Gauss, and Riemann.

So, most culture—or what is taught as culture in education today—over most of this period, with rare exceptions of Classical renaissances, has been corrupt. So, what has been transmitted as knowledge, including so-called physical-scientific knowledge, has been largely corrupt.

A Youth Movement Based on Real Knowledge

For example, in this youth program, I've emphasized early on, the key thing in starting a university-level education among young people today—you start with Gauss's 1799 attack on the empiricists, the neo-Cartesians in some part, D'Alembert, Euler, and Lagrange. Because what's the issue? It's the Platonic issue. In this paper of Gauss's, he defines what he calls a fundamental theorem of algebra, which is actually the definition of what we call mathematics of the complex domain. Now, that definition, which is not entirely original to Gauss—it's simply a new way of putting the point—is already presented by the Pythagoreans and Plato, in such forms as the question of the doubling of the cube by construction. These conceptions involve *spiritual exercises*, and creativity is a spiritual exercise.

What you've had in education is corrupt education, largely based on Aristotelian and other reductionist programs, in which the students *learn doctrine*, they do not experience the spiritual exercise of the actual discovery of a principle. And society functions on that basis. You're told, "Learn, learn. When you're old enough and have degrees, then you can make up your own mind about these things." But by the time you get to that point, by the time you reach the age of 25-27, if you don't already *know* this, in a Platonic way, you probably never will, because your mind is too much destroyed.

So, the problem is, we've had corrupt cultures. And people have sat back and said, well, for a time, we've gotten by nicely on the inertia of what we've accomplished. But then the culture becomes totally decadent. But the decadence was already embedded in our failure to develop adequately, earlier. What we're trying to do now, is change that, and the way I've defined the youth movement, as a political youth movement, is actually new in modern history. This youth movement is like no other, which can be adduced from, shall we say, the 20th Century. There's no comparison. This is a youth movement based on knowledge, based on *the process of discovery of knowledge*, which is what people ought to be doing in their university years, and even before then. So,

the difference is, *we represent potentially the difference, the margin of difference to begin to reverse this long crisis in history* of advancing and collapsing, advancing and collapsing. At last, we're challenged. We've got to change the way things work. We have to have a new conception of culture, and this youth movement, which has emerged in the past three years, has demonstrated that we're on the right track.

The Need for Exceptional Leadership

Q: We had a class yesterday which was very interesting, I thought. Except one idea was not very clear to me, and I'd like to see if maybe you can help me out. Between the classes yesterday at the cadre school, and Marivilla [Carrasco] gave a class on the sublime from the standpoint of Schiller, and yes, LaRouche. And they were quoting some parts of Schiller where he speaks of when, technically speaking, in a crisis, there was something that lifted people from that crisis, so that they could overcome and achieve something greater. And it could be explained or defined as the sublime. I there had a doubt, and we discussed this for a while. I tried to compare it with what Roosevelt did with the economy in the '30s, which is that he took it to the limits of the overall, off-the-shelf industrial capabilities, and what happened is that a breakthrough was made. These limits were overcome and things went further, quite opposite to the idea that, perhaps, when pushing to the limits, things could break and collapse.

So, I'm not sure if this is exactly the principle that is referred to, whether this is a correct comparison, but if so, my question would be: This issue of facing up to the crisis at this time, where it's fairly apparent among youth and society at large, but mostly youth—you must face up to the crisis in order to make that breakthrough. But since it is more than apparent, what would it be—a matter of bringing it to [people's] self-consciousness, so that they face the crisis, and then we help them to break through, or how would it work? What do you think about this?

LaRouche: Well, it's fairly simple. You see, I lived through all this. I have the advantage of having lived through the entire period you've referred to, the 1930s, the 1940s, the postwar period, and I saw exactly how the degeneration occurred. This is not a lawful process, in the sense that it had to happen that way. Roosevelt died and the enemies whom he had fought all his life were able to move in and take over. Now, there were reasons for it. Part of the reasons were that this is *not* a great society. Most of the people of my generation were extremely backward, morally. The 1930s was not exactly a good time to live. It was a decadent culture. Remember, the United States had been in a decadent culture since the successful assassination of William McKinley. McKinley was not the strongest person in American history, even though he had essentially a good commitment, but there were terrible weaknesses in that time, in that administration.

So, it's not quite that simple. The good comes, not by trying to find a magic formula for, how do you orchestrate

success? The problem is that people look for magic formulas because they want to say, "How can we be sure we're going to succeed? How do we know that our effort on this is going to be worthwhile? How do we know we're not going to fail, like so many have before us?"

Well, the answer is largely two things: First of all, you have to be determined not to fail. You have to have this sense of immortality, which I've described. And without that sense, you're not going to succeed. Look, I had people all around me—I'm a success, but all the people around me from that period turned out to be more or less failures. And what you're experiencing in society is just the result of the fact that most of them were failures. Most of the people with whom I was in military service were failures, they proved failures in the postwar period.

So, you depend on people like me, who are not failures, to get you through this period.

Take the case of Germany, before Hitler. Now Germany was at a very high level of culture, but unfortunately, had never overcome the fact of having a Kaiser, which is a very backward kind of institution, to have that kind of imperial conception. And the Germans wreaked their own death, the German military wreaked its own death, by refusing to coup, when they should have couped. Not waiting until 1944 to try to do it, until the British would betray them. And they *brought upon themselves* their own destruction in that way.

So, the secret is one of leadership. It's quality of leadership. Roosevelt was an exceptional quality of leadership. If Roosevelt had not succeeded, the United States would have become a fascist state, as Germany did. It was Roosevelt's ability, his development of the qualifications to make that revolution, which caused it to occur. And once they got rid of Roosevelt, the revolution collapsed. Not entirely, because the effects were not completely wiped out immediately, but it collapsed. And I saw it. It was my generation that was rotten, and today, my unique position is being a survivor of that generation, who did not betray that legacy.

And, therefore, through my commitment to that at any price—I've always refused to compromise on this issue. And the fact that I've refused to compromise has given me the strength to deal with this kind of problem. Normally a society would say, no, it never works. And all the successes of society were successes of what might have seemed impossible to people at that time. Just like Roosevelt's success. It seemed impossible to people at that time, but he succeeded. It was not just an ordinary success, it was not some kind of thing, some kind of recipe. It was a *personal impulse, a personal commitment, a drive to succeed*, and the knowledge to match it.

People underestimate Roosevelt. They underestimate his knowledge. He understood the American System, which is the finest, highest level of development of economic thinking in the world today. There's no society on this planet that has matched the American System in terms of economic thinking. That is, the American System of Political Economy. *Nothing.*



President Franklin D. Roosevelt at West Point in 1934. Roosevelt was an exceptional leader who carried out a revolution; had he failed, the United States would have become a fascist state.

The American System of Political Economy was the basis for most of the great successes in the Americas and other states, especially after the success of Lincoln, to develop in that direction. And the idea of the United States' method of economy, the heritage of Lincoln for example, was one of the great inspirations for the development of the nations of the Americas.

So, the thing to look at is not some system, it's not some systematic thing. It is systematic in the sense I've said. But what determines the success or failure of society in any time of crisis up to the present, is the presence or absence of exceptional individuals who represent the quality of leadership which, in a simple way, Jeanne d'Arc represented in the history of Europe. Without such leaders on the scene, society will go to Hell. It may come out of it later, because human beings naturally have this gift which enables them to recover, but the general tendency of society will be to go to Hell, every time, without the exceptional leaders. The only thing that saves us is that society does tend to produce, in a most remarkable way, some exceptional leaders. And because of that, society has survived.

But many societies have not survived. Many cultures have not survived. They were decadent. They were not capable of generating survival. What worries me today is that it's possible that this European civilization might not survive. It might not make it through this period of crisis. That's a possibility. A very real possibility. I think that we can save it. I know that the potentiality for saving it exists. I know that I have the ability to lead that kind of process. I understand it. Therefore,

I have confidence. If you don't have the adequate basis for confidence in that kind of process, you can't succeed. You need that. But fortunately, I have that, and I have it for only one reason: because I've stuck to this devotion over so many decades. People said I was wrong, but now it all becomes clear. I was right all along. And therefore, I think that I'm qualified to say, we are going to succeed.

How Can a Breakthrough Be Made?

Q: My question is something that you have touched on before during this conversation, that throughout history, there is progress, and then civilization backtracks throughout its history. What do you think is the difference *we* make now, to ensure that the constant fight between empiricism and the search for truth, is won for truth, particularly now that there are so many more advanced elements of manipulation, such as television and the mass media, which have such a massive effect on public opinion. So, how can we ensure that we do not return to this process of one step forward, one step back?

One further question, just a small thing here, the issue of self-consciousness: This ability that you have had, to always say the truth, regardless of public opinion—do you think you got that from self-conscious love, which is received from parents, or is this something that can be generated internally by someone, regardless of the lack of self-consciousness in the maternal or parental relationship? Thank you.

LaRouche: Oh, I am sure that—I didn't get much benefit—I didn't have the worst family conditions imaginable, but my greatest advantage was that I recognized that my par-

ents—like most people—lied all the time. There was some good in them, of course. I am not knocking them in that sense. But the idea that somehow they transmitted to me some great tradition—not really. What they transmitted to me was recognition of the corruption of what their culture represented. I mean, their religious beliefs were horrifying to me—increasingly so. I was a child, I didn't know how to deal with it, but it horrified me: It made no sense. So, it was not that. No, it doesn't come by any spontaneous rule.

You see, we are individuals. And what we accomplish, we accomplish as individuals. To be an individual, creative personality is a very lonely thing. And one of the problems that people have in becoming creative is to deal with that loneliness. Because the nature of creativity is: You are right, when society and opinion around you are wrong. Now, you have to know the difference. You have to have a standard. You can not go around assuming that you are right, just because you wish to assume that. You have to actually be right. And you have to take the personal responsibility for making that difference.

I knew people around me would tend in that direction—a lot of young people I knew. They would *tend* toward that. Then they would back off. They'd become frightened. They'd say, "Look, you know, you are a smart guy, and so forth, but look, you are not going to succeed. You can't win by going against popular opinion. *You got to learn to live with popular opinion*. You got to learn to swing with the punches." And I didn't. And my advantage was entirely that. My advantage was not what I *got* from my culture. My advantage was what I *rejected* from my culture. When I recognized the flaws.

It's the same in science. That's what the nature of science is. Scientific discovery is not learning to repeat something you learned in school. That's not science. Science is not taking the bit, like a horse. You recognize that what you've been taught is *wrong*. So now you set out to *prove* it is wrong. Not only to prove it's wrong, but to find out what's right! All knowledge is based on that. That's what I've always done. And it is because of that, that I have succeeded.

Now, as to the future: Why I fight so hard for this youth movement, is because I recognized what was wrong in the education which the older generation got, and my generation before them. And I was determined, where people were open—you know, you've got people out there, most people you know, really, know that what their parents gave them, was no future, was a no-future society. Most young people today know that, in one way or another—that their parents were failures. Terrible failures, who gave their children a no-future society. Any young person who *thinks*, frankly, knows that.

So therefore, what you have to address today, is the failure of the generation that produced these fellows of, say, today's college age. That is the first thing that you have to recognize. If you don't recognize that, you get nowhere.

Now then, what do you want to do then? You have two

objectives. First of all, you want to overcome that problem: You want to have a future. You want to change society to bring about a future, but that's not enough. If you are going to succeed, you have got to think about—since your parents failed *you*, morally, in this way, what are you going to do for the generation that follows you? Are you going to be a failure like your parents were? A moral failure in this way? Or are you going to take steps to make sure that what was done to you, is not done to your children and your grandchildren?

Therefore, you have to think about the transmission of knowledge. And that's what we're doing that's different. What we're doing is, we are emphasizing a method of education based on the critical significance of Gauss's attack on the work and opinions and methods of Euler, Lagrange, and so forth, the methods that are commonly taught in universities today—the empiricist method. We are building an education system with these young people, based on the best knowledge from the past, but with the intention that we will create an educational system that is a cultural system, not a formal educational system, but a cultural system. A cultural outlook: habits of thinking about ideas, discussing ideas, debating ideas. This kind of thing. To create that kind of society which will not make the kinds of mistakes that the recent generations have made, will not try to get along with popular opinion, will have the courage to *challenge* popular opinion. You say, "You say it's true? Prove it!" And that's the difference. Yes, otherwise we get into a cyclic business of saying, "Let's hope it works out."

But the other thing here is also crucial, which is implicit in what you are saying. The other problem is this: People say, "You've got to trust popular opinion"—*vox populi*. The quality of a leader is a person who is not awed by *vox populi*. Someone says, "Well, all my friends will disagree with you—" Hmm? You say, "Well, you should get better friends, or re-educate them—one of the two."

If you don't have that attitude, if you have the sense that you somehow have to apologize for disagreeing with your friends, that is the beginning of corruption. That's where you lose it. And that's where I get tough. "No. You have no right to raise the argument, that since 'all of my friends will disagree with you,' that I am wrong." Naaah, I'm not wrong! I've been there too many times! I've been consistently right, when all the so-called "your friends" crowd were wrong. So I have enough confidence to know, that I can *know* the truth. Once you get that sense of reliance upon knowing the truth, not looking over your shoulder to see what your friends are saying: Are they going along with you?

You see, the fear of rejection by your friends, your peers, is the biggest source of corruption. You had this in the case of St. Augustine. He reports about a good friend of his, who went with popular opinion. He went to the games, the Roman games, the gladiator struggles. He came back from those games, having been converted to admiring those games, and he never recovered his morality after that. It is popular opinion

that is corrupting, and it is *fear* of popular opinion, it is asking for *assurance* from popular opinion, that what you are saying is acceptable—that is the *essence of corruption*.

The Case of Benjamin Franklin

Q: Hello Lyn. I'm Lisa and I'm deploying in Mexico City now. I'd like to know how much influence there was with the principles that established the United States—what was the influence of that on the creation of the Mexican Republic? How much did that feed into it? Thank you.

LaRouche: Well, first of all, the remarkable thing about the United States is, you've got to look at the case of Benjamin Franklin, and look at the genius shown by some people, while Franklin was still alive, in crafting the leadership of the American Revolution, and that was over a long period of time. And look at how they collapsed, once the siege of the Bastille occurred, the degeneration of the struggle in France occurred. Of course, take into account the number of people who think that the siege of the Bastille was the beginning of some great movement for freedom. They celebrate it as a great event.

So, if you know Franklin as I know him—it was this one individual who was most crucial; there are many people who played a very important role, but continuously, Franklin's influence was crucial in making the American Revolution. Once the United States was hit by the terrible effects of what happened in France and elsewhere, the degeneration of people like Jefferson, Madison, and so forth; John Adams to a lesser degree but to a specific degree; these people had been leaders of a great revolution, and suddenly they degenerated. Franklin wasn't there. They degenerated because Franklin wasn't there. This is often the case in history, that we depend greatly upon individual leaders for all the great movements. And the principle of assassination is, that the people who understand these things will commit assassinations, knowing that if they eliminate an indispensable leader, they will beat the entire movement that leader represents, or conquer the nation that leader represents. That's the big problem.

Now, my concern is to try to develop a depth of leadership for the future, so that does not happen after the effort we are making now may have succeeded. But the problem is a shortage of leadership, and in these days, it's not considered popular to say that. You're supposed to be so-called democratic. I'm telling you that the great revolutions are made not by democratic movements; they're made by great leaders, and we have a shortage of them. My concern is to develop more leaders. My concern in developing a youth movement is to produce, from a youth movement, a quality of leadership which will not fail, as many Americans failed who had been leaders under a crisis, where they were hit, without Benjamin Franklin as their leader to guide them.

By the way, that puts a big responsibility on you, Lisa. (laughs)

Did I scare you?

Lisa: No, no one here is scared.



Benjamin Franklin's inspired role in the American Revolution was indispensable; after his death, a degeneration occurred among many of the other revolutionary leaders.

LaRouche: Good. I didn't think so. I just thought I'd provoke you a bit, in order to come up to the level of what you really represent. You must sense what greatness is, to achieve it in yourself.

How Can We Influence a Corrupt Society?

Q: Some time ago, Bush made a statement that can be taken as a threat to the entire world, to the effect that any country that dares—this was ostensibly aimed at Iraq, but any country that attacks the United States, he would be willing to respond with a nuclear attack. This is a worrisome attitude for most of us. Another concern I have is that society does not make much of this. They're more interested in discussing TV programs, soap operas, and other useless trash on TV, rather than this situation which is of such great concern and which can be seen as a threat against the entire world. What do you think about this?

LaRouche: Well, first of all, Bush is not much of a President, to put it lightly. But we have to deal with this situation. I can't say, "Well, I can't do anything until we get another President." I had a moral responsibility to do something, and I did it. What we did was to go to other institutions in the government, or influencing the government, and we tried to



"In order to be effective, don't be like Sancho Panza. Be able to govern, get the qualification to govern." Here, a drawing by Gustave Doré.

build an assortment of forces which could influence the decision-making process around the president. And we succeeded. Despite the ugly things he said, the President for the time being has acceded to things which are, shall we say, promising. Not reassuring entirely, but promising. And we're going to have to work from there, to deal with the next stage of the crisis, because there will be a next stage. This President may have probably learned something from this experience, or he may not have. I don't know, but that's where we stand.

So, this is typical of society. Of course it's awful. But also, you said something else, really. Think about it. What you are really talking about is the influence of the present older generation, that is, those who are in their 50s and 60s. They and the people they influence, are reacting with indifference to the reality of the present situation. That's why the youth movement is so important. As a youth movement, you have to be the conscience of the nation; you have to be, in a sense, like Cervantes was in the case of depicting the self-destruction of Spain by a crazy monarch typified by Philip II, and the crazy Spanish peasant, the Spanish people, typified by Sancho Panza. You have to have a certain sense of humor of a higher kind, about the reality of the situation. We've got a stinking society. We poor fellows have to solve the problem. And the youth generation actually has the power to reach the older generation. That's how youth movements work.

But sometimes the youth movement is not adequately developed, and it only works badly or doesn't work at all. My insistence is that the youth generation must not only be dedicated to arousing the conscience of the older generation—of their parents' generation in particular—but the youth movement must develop in itself the competence of knowledge to become policy-makers of society. And that's the difference I'm trying to make with this kind of youth movement, is to create a youth movement not only capable of provoking the adult population into sensible responses, to stop their silly indifference to reality of the type you describe, and others, but to actually be qualified to assume the responsibility of government.

If you don't like government, make yourself qualified to assume the responsibilities of government. Not like poor Sancho Panza, who couldn't resist his belly's demands long enough to govern an island. So, in order to be effective, don't be like Sancho Panza. Be able to govern, get the qualification to govern. And I think that's what we're doing. So let's have confidence in ourselves. I think that we can do the job, and have fun. I keep telling people all the time, have fun. Cognition is fun. Spiritual exercises are fun, they're the highest form of pleasure. Have fun. I think we can do the job.

Peruvian Youths in Dialogue With LaRouche

Here are excerpts of the Peruvian youths' and other supporters' discussion with Lyndon LaRouche, by telephone, on Dec. 27, 2002. The questions are transcribed from the simultaneous translation.

The Heritage of the Monroe Doctrine

Q: I'm a representative of the Peru LaRouche youth movement. I want to ask a question to clarify things for all the young people here, and all the other invitees, who are beginning to learn about your work, especially regarding the real historical relations between the United States and Latin America. Basically, the heritage of the Monroe Doctrine, and how that principle really represents the original tradition of a hemispheric policy in all the Americas. I would like very much to address this. Thank you very much.

LaRouche: Let's not talk so much about the Monroe Doctrine. Let's talk about the Monroe Doctrine as a symptom of a long process, which goes back to the 15th-Century Renaissance.

First of all, the American Revolution, which was a product, largely of the influence of—well, you had two things: The Renaissance, first of all, in the 15th Century, which was an absolute miracle, which saved Christianity, in the sense

that the Church was dead at that point. It also started the first modern nation-state, first in Louis XI's France—partly, of course, as a result of the role of Jeanne d'Arc. In an inspired act of heroism, which set the stage for both the freedom of France from the Norman ultramontane dictatorship; and also, the intervention of her death and her heroism, in the discussions in the Councils, resulted in the restoration of the Catholic Church, which otherwise was, at that point, disintegrating, under the Papacy. And her intervention inspired some of the Popes, and others, to not only re-establish the Catholic Church, as a functioning church at that time, but also to set into motion the processes which led to the formation of the first modern nation-states in France, and later in Henry VII's England.

Now, the key here, was that for the first time, the idea of a state was no longer one group of people dominating another. But, the idea that all the people in the nation participated in a process of self-government, represented by a government which was morally obliged to promote and defend the general welfare of *all* of the people of the nation, into coming generations—not just the present generation, but coming generations.

So then, you had the reactionary forces, organized by Venice, which had been functioning for some time as an imperial, maritime power, a financier oligarchy dominating Europe and the Mediterranean in that period. So, they reacted. And they started the great period, from 1511-12 to 1648, of religious and related kinds of warfare, cultural warfare, which almost destroyed civilization.

Through the work an agent of the Pope, Mazarin, who later became a Cardinal in France (he was chief negotiator for the Pope before then), Mazarin organized what became the Treaty of Westphalia in 1648. And Mazarin also adopted a protégé, Jean-Baptiste Colbert, who set into motion in France, the beginnings of a modern economic nation-state. In the setting of the Colbert reforms—before the Louis XIV degeneration—in that setting, Colbert was a sponsor of a number of people, including Leibniz. And, Leibniz emerged very quickly, in the context of both his German background and his background in France, in French institutions, in becoming the leader of civilization in the post-1648 period. Remember, he was born in 1649. He enters France in 1671, as a protégé of the scientific institution of Colbert, and from that point on, emerges very quickly as the leading intellectual force, in France, in Europe, and becomes the center of the ideas of modern science, following Kepler; but essentially, he becomes the epitome of modern science. And he also becomes the inspirer of the idea of the modern nation-state—under those conditions, that is, the post-1671 conditions. He almost becomes the Prime Minister of England—doesn't succeed, but he was a great influence.

His influence, especially against the Anglo-Dutch liberalism of the neo-Venetian crowd, becomes the rallying point, in which they pick the North American English-speaking col-

onies, as a place to organize the founding of a model republic. And, as you'll see in the February publication of *Fidelio*—where a summation of some new information on this occurs—you see exactly how the United States was developed, as a direct product of European concentration, through, chiefly, Benjamin Franklin—after Cotton Mather—of developing the United States as the model republic, based on true principle, as a model for all civilization. That is, the model of a modern, sovereign nation-state, and a community of modern, sovereign nation-states.

So, this is what Benjamin Franklin represented. John Quincy Adams was a protégé, a student, given by his father John Adams, to the instruction of Franklin, in Europe. John Quincy Adams underwent a development. He was a young man, and young people, as you know, develop. They're not like Athena, born from the brow of god. They have to develop. So, he developed. And, he played a key role, both as foreign minister—Secretary of State—and as President, and afterward, in shaping the relations among the states of the Americas.

The Monroe Doctrine was an expression of this. The policy of the United States was, among the patriots, that we should create, both in the Western Hemisphere in particular—in a period in which there were emerging republics in the Americas—a community of republics in the Americas, each of which would be respectively sovereign, but, would be united in a common defense. The policy of the Monroe Doctrine was, that the United States, as soon as it had the strength to do so, would intervene to kick all of the colonial powers of Europe—the Hapsburgs, the Spanish, the Austrians, the Dutch, the French, and so forth—kick 'em all out of North America, not allow them; and defend the Americas, as a community of sovereign nation-states, against any colonial overreach from the powers of Europe.

In a later period, this policy, after Lincoln's victory over the Confederacy, became a much broader conception, with our friends in Europe: That we should establish a global policy of the same type, to bring the nations of the world, as sovereign nation-states, into a community of principle among sovereign republics, who would have certain missions in common, but would be sovereign as individual states, and would cooperate in mutual defense, of each other's sovereignty and common interests.

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A young organizer asks LaRouche a question at the Lima meeting. LaRouche addressed meetings like this one in half a dozen countries at the end of 2002—in person, by telephone, and by webcast—engaging in a Socratic dialogue with several hundred youth.

So, that's what the Monroe policy should mean.

Now, as we know, the problem was, as you see in the history of Mexico, that Mexico was invaded by the Spanish, French, and British, as a part of the operation by the Spanish, French, and British, to destroy the United States, at the point that the United States was involved in a Civil War, which had been organized by the French, British, and Spanish, in particular. The same forces invaded Mexico, and took over Mexico, in a dictatorship, and looted the country.

As soon as President Lincoln had achieved a victory over the Confederacy, the French troops were kicked out of Mexico. And, in due course after that, Mexico achieved its sovereignty, with the restoration of the government of Benito Juárez, and the kicking out of the Hapsburg puppet, Maximilian.

From that point on, especially after about 1876, all of the states of the Americas, were more or less influenced by the model of the United States; that is, the model of Alexander Hamilton's idea of a national economy (as it was called by Friedrich List), or the American System of political economy.

So, the American System of political economy influenced the states of the Americas directly, and also, indirectly. Even

though none of these states developed a constitution like that of the United States, they developed constitutions, of which Mexico's is fairly significant: It's a combination of a European style of constitution, and some idea of a North American conception; but, it's not a true constitution. There's a joke in Brazil I heard down there, someone said, he went to a Paris bookshop, and said he wanted a copy of the Brazilian constitution. And, the bookseller said, "We don't sell periodic literature." Because, in most of these countries, the constitutions are changed often.

But, despite that, as you know, there are certain ideas of national sovereignty, certain ideas, which are considered more or less constitutional in Mexico and states in South America, which do function, and do echo, in one degree or another, the same purposes as the Preamble of the Federal Constitution of the United States. So, in that sense, we have a similar philosophy, which I know very well, from my experience in dealing with these countries—especially as in the 1982 crisis, for example, the Malvinas War period and so forth—to the present day.

So, we do have certain common principles *implicitly* expressed in this aspect of European culture, which the United States, in its best aspects, typifies. And, the constitutional ideas embedded in the Preamble to the Constitution, essentially are ideas which would be accepted by all the moral and good people in Central and South America.

So, on that basis, we have two things to consider: First of all, now, we have a world crisis. And, we in the United States and the Americas have to look largely at the world crisis: The dominant part of the world population is in Eurasia, not in the Americas. And therefore, we have to be concerned with the affairs of Eurasia. On the Eurasian continent, we have the situation presently, in which Russia, China, India, are becoming closer and closer aligned, in what I described some years ago and proposed in 1998 as a "Strategic Triangle." That is, if these three similar nations, large nations, could agree on certain common principles, which transcended their cultural differences and traditions, that could provide a nucleus for a system of cooperation among all of the smaller nations in Asia, with this group of nations. And in conditions of the present economic crisis, the mission of Europe should be to cooperate with this emerging Eurasian bloc of nations, for the general development of Eurasia—economic and related development.

This would be done in cooperation with the United States. It should be done, also, as an adjunct of U.S. responsibility for development of the Americas. That is, in the Americas, we have a fairly small population, by Asian standards, but, we have a large population nonetheless; we have lots of resources, many undeveloped resources waiting for us to grab and develop; and therefore, we have a very special mission for restoring and developing the nations, the economies, of the Americas, as a cooperative venture. Presumably, a cooperative venture, done as a part of the Americas' cooperation

with Eurasia, and also, with (as Brazilians will emphasize) also the development of Africa, especially Sub-Saharan Africa.

So, we have a certain kind of world perspective, which is an extension of what is reflected in Monroe. And, we have to have a sense of what is required in each case, to maintain the sovereignty and sovereign development of a nation such as Peru, while, at the same time, having a sense of international cooperation among these forces, in the common interests of the development, of both our hemisphere, and cooperation in the development of Eurasia and Africa.

That's an outgrowth, to sum it up: That's an outgrowth of what the American Monroe Doctrine represented, in 1823; which, as I said, is not something that started with Quincy Adams, in 1823. But, it's a reflection of the whole process, which led to the formation of the United States, as the first modern, sovereign nation-state republic of a constitutional form. And, which led to many other developments in relationship to Eurasia, and within the Americas, over the past period. So, we should see ourselves as part of a process, a tradition, a process of development, in our own hemisphere and abroad, and this should be the basis on which we should think as citizens of individual nations, and also as our nations' are a part of a community of nations.

What Do You Mean by 'Physical Economy'?

Q: You might know about the collapse of many economies in our countries. You have seen the economy of Argentina is coming down. The situation in Colombia, Ecuador, the breakdown of the economy is Brazil, the situation in Venezuela, but also, the apparent and false situation in Peru. It's an illusion: We have no industry and we have a policy of imports that is taking over the country.

We would like you to speak a little bit more on what you mean by "physical economy." Myself, as a student of economics, I have read a lot about the workings of classical economy, and now I have read about the marginalist theory. But this idea of the physical economy breaks down all the ideas, by means of which the world is being guided.

I would like you to speak a lot more about what this physical economy represents and how to apply it, in this part of the continent, and the great projects of the Amazon; and how we can join the Atlantic and the Pacific together; the hydroelectric plants; how to take advantage of the energy in Brazil; and mines in many places in the American continent. And I can think of many routes for development, and many roads—as we have seen in the United States—and how this system of interconnected transport can be more efficient.

And also, as a student in San Marcos, a university here in Peru, I would ask you very much for you to come soon to Peru—you personally. For the LaRouche youth movement, you would be an inspiration, as we have seen from the video of conferences that you have done before the California youth movement, we would like you to be here in Peru. And we want

to "do the impossible," where we could organize a conference where we can have you here, to talk about these themes, and many others. . . .

LaRouche: There are three areas—actually four, but, there are three areas in principle—to cover preliminarily before getting to this question of a prospective visit to Peru.

First of all, what do we mean by economy? Economy, as we know it, civilized economy, began in the 15th-Century Renaissance. Why? Under the feudal period, and under the Romans, and even earlier, most of humanity, in most countries, or most parts of the world, were essentially treated as human cattle, in which a relatively small, dominant group of people dominated the population and used them as human cattle, precisely as, for example, the Physiocrat François Quesnay puts it.

Now, the first time you had a modern nation-state, in the sense of a true state—that is a *nation*-state—was the time in which finally, the law was understood to be the law, that *you do not have human cattle*. That all human beings are human, And therefore, the principle—which is the principle of Socrates, in Plato's *Republic*, for example—called "*agapē*"; or which is called, in Christianity, variously "*agapē*," "general welfare," or "common good": That no state, no government, has legitimacy except as it is committed to service of the general welfare, the common good, of all of the population and its posterity.

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Now, that's the beginning of economy. There was no economy before then, because you had a situation, in which most people were being treated as human cattle, existing for the convenience, benefit, and disposal of a relatively small group of people, as in the Roman Empire, as in Mesopotamia, as in Sparta—as under feudalism, especially ultramontane feudalism. So, it was only with the great revolution in the 15th Century, that the Graeco-Christian idea of the general welfare, common good, or what is called in Greek *agapē*, as in I Corinthians 13, was accepted as a principle of statecraft, and of national practice. It is the point at which the nation, constitutionally, or in a similar fashion, recognizes the obligation of the sovereign to serve the general welfare interests of the population, and its posterity as a whole, that the question of a functioning national economy comes into existence. And, of course, a functioning world economy as a result.

Now, this worked, but it also failed. Because, beginning with 1511-1512, when the Spanish went over to the Venetians, and began the war by the Hapsburgs, essentially, against the rest of Europe, to *prevent* cooperation in Europe, then civilization broke down, over the period from about 1511 to 1648, a period dominated by religious wars, or similar wars. And, it was only in 1648, with Mazarin's successful intervention to bring about the Treaty of Westphalia, that the modern nation-state came into existence, and Spain was a piece of garbage by that time, as a result of the Hapsburg rule of Spain; which had destroyed Spain through these religious wars, exhausting it, in that form. And, then the War of the Spanish Succession and so forth. But anyway, the Hapsburgs continued to dominate Europe, into the period of, and beyond the 1812-1815 period leading into the Congress of Vienna.

But, in this process, the Venetians' operation in the 16th Century led to a division in Europe between the so-called traditional, ultramontane faction, led and typified by the Hapsburgs and their associated families, the continued feudal tendency; and a tendency which became known as the Anglo-Dutch liberal system.

Now, the Anglo-Dutch liberal system was modelled on the Venetian system. Venice, from about the time of the Emperor Otto III, had consolidated such power as an imperial, maritime power, based on a kind of a slime-mold of financier-oligarchical interests, which was dominating the Mediterranean region and Europe, increasingly. At the end of the 18th Century, Venice's power had declined. Venice, in the meantime, had developed—in Northern Europe, on the northern shores of the Netherlands and the Baltic region, and so forth, the so-called Scandinavian countries, and also in England—had developed a form of society which was modelled on the Venetian system; that is, modelled on the idea of a ruling financier oligarchy, like the Venetian oligarchy, which was exerting an imperial quality of *maritime* power, in the financier interests of a financier oligarchy. This form became the Anglo-Dutch liberal model

Now, the United States was founded *not* as a result of

what the British call “capitalism,” or what Marx called “capitalism”: What Marx called capitalism, is nothing but his rationalization of what the British identified as the Anglo-Dutch liberal model; which is typified by the fact that government is dominated by a financier-oligarchical interest, whose power is centered in a central banking system or the equivalent. That is, a group of financier interests, like a slime-mold, controls the central banking system. And, the central banking system, as a central banking system, then exerts its power over government. And therefore, that's what Marx called the “capitalist system,” otherwise, the Anglo-Dutch system.

Now, the American System has nothing to do with that. The American System as such was a nation-state system, as, for example, Friedrich List emphasized. Under the national economy system, or the American System of political economy, the *nation-state*, the sovereign, is absolutely sovereign. That is, there is no authority, in the nation, which has any higher authority than the nation-state as such. The nation-state is obliged to serve the general welfare, as the Preamble of the U.S. Federal Constitution specifies. There are three principles—two fundamental principles, and one qualification, which are set into the Preamble of the Constitution: 1) The state is absolutely sovereign. There is no other sovereignty. 2) The function of the state is to serve the general welfare. 3) The interests of the posterity *shall rule* in defining the interests of the general welfare.

So, those are the principles. Therefore, in a nation-state economy, you will find that most of the nation's economy involves basic economic infrastructure, which is either maintained and conducted by government, or by franchises from government, such as public utilities. And the rest of the economy is *regulated* by that. The currency and banking system of the nation are *controlled* by the Federal government, and regulated. That's the nation-state, the system of *national economy*. Which is totally opposed to the Anglo-Dutch liberal model, which is the neo-Venetian liberal model.

So, most of the problems that come up, about so-called “traditional” this, “traditional” that—it's all hogwash! There's no truth to it. There are only two real versions of economy, in modern Europe: One, is the Anglo-Dutch liberal model, of which the Marxist or Soviet system is a variant. That is, as Marx himself insisted, what he saw in socialism, and what the Soviet authorities interpreted as his interpretation, is nothing but a variation of the Anglo-Dutch liberal model. Whereas the American model is the completely different model, the system of national economy, in which the *nation-state* is primary—and in which all financial authority is subordinate to the enforcement of the principle of the general welfare, for the existing and future population of the nation.

So, these are the conceptions, which you have to start with, in economy. And, in debating these with other people, you have to emphasize this clearly, in order to get the decks



Sara Madueño, EIR bureau chief and president of Peru's Schiller Institute, illustrates LaRouche's conception of infrastructure corridors of high-technology development, along the rail lines of the Eurasian Land-Bridge.

cleared from all this garbage interpretation. Because, you look at the axiomatics: Axiomatically, the others are all variants of an Anglo-Dutch liberal economy, which is the neo-Venetian model—as opposed to the American System, which is essentially a national economy system, consistent with the principle on which the nation-state was founded, in the case of Louis XI and Henry VII back in the 15th Century.

That's the great conflict on this planet. You take the Soviet system, the so-called "Marxist" system, which is generally susceptible to, and reflects, a kind of special effect, a special reaction, to and within the context of the Anglo-Dutch liberal system. It's a sort of a "non-liberal liberal" system. We look at things in those terms.

Now, once we make that clear, then the idea of physical economy becomes obvious. The function of economy is not monetary. The function of economy is to maintain the general welfare. Now, the general welfare is not measured in money: The general welfare is measured in the conditions of life of people, and the future welfare of the entire population of the nation, and of other nations, as well. So therefore, how do we improve the productive powers of labor? How do we improve the standard of living? How do we increase the potential population-density of a nation, in terms of standard of living? How do we increase the level of education? Because in a poor population, you can't educate people at a university level, because they've got to be working, long before the age of 25, because they're going to die at the age of 40 or 45! So, how can you have full education up to a university level, in that kind of population?

Therefore, the physical development of the nation, of the

infrastructure, of the conditions of life, of the productive powers of labor per capita, these things are predominant. And the monetary systems, and the credit systems, should be simply subordinate, instruments of administration, to those ends. Therefore, in defining economy, you don't define laws of monetary systems, or laws of credit systems: You define laws of *physical systems*, of man's relationship to nature. With these kinds of objectives: How do you increase the potential population-density of the human species? Increase life-expectancy, with the effect of increasing the standard of living that you can provide, in terms of intellectually and otherwise, to all the members of society? That's physical economy, to which monetary and credit systems must be subordinated, *under national government*. Or, a consortium of national governments, who agree to come to common purposes through the exercise of their individual sovereignties.

Now, what we can do—I don't know in Peru, exactly. Obviously, you know, I'd like to be there. That's not a problem! They're keeping me kind of busy lately—which is good (it's also bad, because it prevents some things from happening).

No, but we have to think in terms of strengthening the youth movement, in many ways, including whatever my presence might contribute to that—by writing, by discussion. And also by some exchanges, temporary exchanges of people from one part of the world to another, so that you have a sharing of the experience of the youth movement and its educational ventures, in different parts of the world. So, you have a world-sense, of what we're doing. I think it's very important. I think, perhaps, that we should be thinking of some kinds of goals,

in terms of institutional activities, which will actually further that step, in the case of Peru and other countries.

How Can We Deal With the Debt Crisis?

Q: I am a labor leader with the electrical workers union. My question is the following: How can we fight against the crisis, in which we are tremendously indebted, and the people we owe money to? Tell us what path we must follow. That is to say, they put our government representatives, or tell our leaders, what they must do, in economics, in the social sphere, in politics. What must we do, so that we, in some way, understand that our countries are totally dependent, in a certain fashion—how can we get across, so that we change this? I don't find an answer to this question: I wonder if you can give me one?

LaRouche: Okay good. Well, it's not so simple, but it's not that complicated. What is not so simple, is the fact, that if you accept the idea that these debts have to be paid, and that you can do nothing until after they're paid; and then you, at the same time, find you don't have the means to pay, you're in an impossible situation. And, the question is: Here's the debtor and here's the debt: What is justice between the two? According to natural law, in that case, the debt must suffer. But, since the debt has no nervous system, how can it suffer? Therefore, it's a painless suffering, that it must experience.

Now, first of all, the debt is largely artificial. It was created by fraudulent means. It's essentially artificial. I've gone through this: We know the debt of the Americas is such, that South and Central America have more than paid *all the debt* they've actually incurred, honestly incurred, during the past 30-odd years. So, as far as I'm concerned, there *is no significant debt*. It doesn't exist.

Well, who is going to say it doesn't exist—that's the question? Ah! Can Peru say it doesn't exist? Well, in a certain way, it can say it. Can it say it effectively? Well, not so effectively. Why!? Because you have powerful governments, and concerts of governments, who have agreed to collect the debt, even if it's not payable, and if it's not legitimate!

So therefore, now, we come to a political question, not a financial question. Now, you've got to a point, where not only are the countries of South and Central America hopelessly in debt, they could never pay these debts; and, they could only be collected by *murdering* many of the population of these countries. So therefore, it's immoral! But, who's going to stop it? So, your question is: Who is going to stop it, and how? There *is no formula*. There is no literary formula: *It is a question of power*. All right.

Now, the power lies here: That *all of the countries* of the world are hopelessly in debt. *All of them*. So, what you have is, you have a group of financiers, who have committed fraud; who have used consent of government to commit fraud; and now, there is no government in Europe or the Americas, which could ever pay its existing debt. What if these countries decide not to pay this unpayable debt? What if they decide to put the

whole thing into bankruptcy reorganization? *Who* is going to collect the debt? There's no one there to collect the debt! If the governments say, it's not going to be collected, it's not going to be collected! It's over!

Now, a country like Peru has a problem. You say, "We're a small country. We can't make this decision unilaterally." Ahh! That's where the question of alliances comes in; where movements of understanding, come in; cross-border movements of understanding. And, that's the only way the thing is going to be solved—no other way.

Yes, Peru can not make a unilateral decision, and get itself free of the debt, because other countries would crush it. But, what if the other countries don't crush it? Then, it can make a unilateral decision. However, it would prefer *not* to make a unilateral decision. It would prefer to make a decision *in concert* with other countries, so you come to an agreement, under which the essential business of the economy continues without stopping, while this negotiation is going on. So therefore, the question is, we have to mobilize a concert of international forces of national patriots, who agree that this joint action must occur: And, it *will* occur. Our big advantage is, there is no government in the world today which has, as a nation, an honest interest in enforcing the debt collection. None. So therefore, in a sense, humanity is on our side. And, we simply have to make that fact, political reality. Which means, that you have to get some big nations in.

You see, one of the big problems here, is: When people look at the Americas, they look at the United States, and they say, "That's the Big Yankee Power. And the Big Yankee Power can crush us any time it wants to. Look! They tossed our President out of here! Tossed him out! They said they had a pretext, but it was just an arbitrary pretext. They decided to throw him out, so they threw him out. And they put another President in."

So, the Peruvian says, "Well, ha ha! What do you mean? We can't make a sovereign decision. These guys run the show!"

Ah, but you've come to the point at which some of us, in various countries, know the system is coming to an end. You're going to see in the coming weeks, the entire system is now collapsing: in Europe, and in the Americas. The whole system is coming down! When the whole system is coming down, who is going to collect the debt from all of the people who can't pay? Therefore, we have to be together. We have to, first of all, *think* together; discuss together; and then, bring international forces, as a fruit of our discussion—bring them together, to do what I've said: a New Bretton Woods system. A reorganization of the present international monetary and financial system.

We *will* do it, because we *have* to do it. And Peru is not a nation, which is going to have decide this, by itself. Peru is going to decide this, together with other nations. But *each* of us, in our nations, must understand the issue, and thus, be prepared to act in concert, at the appropriate moment.

The Defense of National Sovereignty

Q: Good afternoon, greetings from a worker, from the union of electrical workers in Lima. I have read some of your magazines in the last few days, and there is a diversity of subjects, about which I'm very excited. One of the main ones is regarding the article on the international labor code, in Convention 169, which gives indigenous people certain faculties, which includes the government, in terms of controlling the natural resources. Those natural resources, of which we have a lot in Latin America, could be used for the welfare of the nations, if we have an ideological current will arise as a force, at the Latin American level. In any regard, the governments at the moment are in the condition of generating proposals to use those resources for our economy.

LaRouche: The problem is, you have a policy in the United States, which was, among other things enunciated by Henry Kissinger in 1974. It was called National Security Study Memorandum 200 (NSSM-200). This states that the policy of the United States is: that the natural resources of regions such as South America and Africa, are to be preserved for the future consumption of the people of the United States and the United Kingdom; specifically, in this case, the United States.

This is already going on in Africa, in which there is intentional genocide, against the population of the inhabitants of Sub-Saharan Africa, with the intent of depriving them of *use* of the natural resources of their continent; and also, of reducing the population, so to reduce the number of people who will be consuming anything, in that area. The same policy now exists for South and Central America. The function of the World Wide Fund for Nature—the World Wildlife Fund and so forth—that this crowd, as in Brazil, has moved to ensure that none of the countries of South America will be allowed to use their own principal natural resources. The whole Amazon region, for example, is under the control of agencies of this type. You have, in the case of the border, of Brazil with Bolivia, Paraguay, and Uruguay, you find that the Moonies, who are actually part of this kind of swindle, have taken control of much of both sides of the border, of Bolivia, Paraguay, and also Uruguay, in the idea of preventing the nations from having any sovereignty over their own borders—and specifically in respect to natural resources.

Brazil has no sovereignty over the Amazon, right now, due to these private forces, like the WWF, the World Wildlife Fund. In Africa, you have the same thing: You had the British monarchy moved in, with elephant parks, with gorilla parks, with natural preserves on borders. It was the use of these border areas, which was Uganda to invade Rwanda, and start the genocide which has gone in Rwanda, and in Burundi, and in parts of neighboring Congo, since that time. You look at the map of Africa; put the map of these non-governmental organizations, which are running parts of the world.

No, there *is* no, presently—there *is* no authority, for gov-

ernments, of South and Central America, *to actually use* natural resources to develop national income. You may think you may have it, in one part of a code; but, you have to look at the UN code, and the UN code says, “You can't”; and the U.S. policy says, “You can't.” So, there's no way to cheat. You can not find some loophole in a current law to overcome these oppressive policies. We have to bring the oppressor agency, itself, to boot. That means, that the provisions of the use of non-governmental organizations, and similar institutions, in the Americas—as in Brazil, on Brazil's borders, and in the Amazon area—to prevent these countries from using their natural resources; that these agencies must be, in effect, neutralized or virtually shut down.

Until that's done, I don't care what they say about some code, you don't have the authority to use natural resources to benefit Peru. You don't have it. You may think you do. But, if you look where the non-governmental organizations, of the type that were behind the coup against Fujimori, for example; like the international drug cartels, for example, which are supported by the New York Stock Exchange, for example—as long as these agencies exist, you don't have that authority.

If we get rid of these things, we would find how to utilize the development of natural resources, as a way of solving some of these problems of these countries—as you propose. But, under present circumstance, until you *break* that authority, you don't have it.

Kepler's Revolutionary Discoveries

The most crippling error in mathematics, economics, and physical science today, is the hysterical refusal to acknowledge the work of Johannes Kepler, Pierre Fermat, and Gottfried Leibniz—not Newton!—in developing the calculus. This video, accessible to the layman, uses animated graphics to teach Kepler's principles of planetary motion, without resorting to mathematical formalism.

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Iraq Inspections Have Exposed The Hoax of the 'Dossiers'

by Michele Steinberg

After UN weapons inspectors Dr. Hans Blix and Dr. Mohamed El-Baradei gave their preliminary report to the UN Security Council on inspections inside Iraq since Nov. 27, U.S. Defense Secretary Donald Rumsfeld held a Jan. 15 Pentagon press conference, attacking the inspectors as weak sisters. Rumsfeld acted "like a prosecutor preparing a case," as one reporter put it, in laying out the case for war against Iraq. But in the midst of his diatribe, he was compelled to admit that President Bush has *not* made a decision about whether to go to war.

The UN inspectors reported that they had not met resistance or interference in Iraq; had carried out 230 separate inspections; and were about to intensify their activities. They also said they had found neither weapons of mass destruction, nor production facilities for them.

The truth is, that the more extended and successful the inspections are, the clearer it will be that the September 2002 "dossier" produced by British Prime Minister Tony Blair's government, and the "Decade of Defiance" dossier issued at the same time by President George W. Bush, are frauds, tainted with disinformation, exaggeration, and lies.

EIR's preliminary review of these September dossiers, when gridded against the UN inspections reported since Nov. 27, has found that the accusations were not substantiated. *EIR* has also found that "experts" who claim to have the inside scoop on Saddam Hussein's weapons of mass destruction (WMDs), are all working together, financed by a network of right-wing foundations and a single New York "public relations firm."

Defectors, War-Hawks on One Roster

A little-known public relations agency in New York called Benador Associates has assembled as clients, virtually *all* of the so-called sources on whom the intelligence on Iraq's weapons of mass destruction has rested. The Benador team members are committed to a unilateral, pre-emptive war

against Iraq, and the overthrow of Saddam Hussein. Proprietress Eleana Benador is a Peruvian, now living in the United States, who also works for the notorious anti-Islam journal *Middle East Quarterly*, published by Daniel Pipes' Foreign Policy Research Institute (FPRI). In turn, FPRI is financed by the neo-conservative "sugar-daddy," foundations: the Smith Richardson Foundation, the Bradley Foundation, the Olin Foundation, and the Scaife family foundations.

In the former Soviet Union, the job of Benador Associates would have been known as "agit-prop," that is, "agitation



The image shows a promotional graphic for Benador Associates. At the top is the logo, which consists of the letters 'E' and 'B' intertwined, followed by the text 'Benador Associates'. Below the logo is the text 'Public Relations, Media and International Speakers Bureau'. Underneath that is the heading 'Speakers'. To the left of the speaker list is a block of text: 'Benador Associates are proud to present a highly qualified cadre of inspiring, knowledgeable speakers who are available to address your group or broadcast audience. Each of our experts is nationally and internationally recognized on issues of the Middle East and national security, among others.' To the right of this text is a list of names: Alexander M. Haig, Jr., James Woolsey, Richard Perle, A.M. Rosenthal, Charles Krauthammer, Michael A. Ledeen, Amir Taheri, Ismail Cem, Kanan Makiya, Shaykh Kabbani, Tom Rose, Barry Rubin, Max Boot, Khudhir Hamza, Richard D. Spertzel, Hillel Fradkin, Michael Rubin, Paul Marshall, Khalid Durán, Laurie Mylroie, Arnaud de Borchgraves, John Eibner, Richard Pipes, and Azar Nafisi. There is a small black and white portrait of a woman in the bottom left corner of the graphic.

Virtually all figures who have insisted on Iraq's weapons of mass destruction, excepting high U.S. government officials, are clients of one New York public relations firm.

and propaganda.”

Anyone who has followed the Iraq war partisans in the American media, will immediately recognize Benador’s clients: James Woolsey, Richard Perle, Michael Ledeen, and Laurie Myroie, who are all affiliated with the American Enterprise Institute; Iraqi defector Khidir Hamza, source of the claims that Iraq has a nuclear bomb; Iranian exile Amin Taheri, who frequently writes on the necessity of “regime change” in Iraq, and has savaged UNMOVIC chief Hans Blix for being an apologist for Saddam Hussein. Rounding out the anti-Islam, neo-conservative set are such as the Rev. Sun Myung Moon operative Arnaud de Borchgrave, editor of the *Washington Times*, and Daniel Pipes of FPRI. Another client is Richard Spertzl, the former bio-weapons inspector for UNSCOM, accused by former chief inspector Scott Ritter of doctoring UNSCOM reports.

In December 2001, the last scientific defector to leave Iraq, Adnan Ihsan Saeed al-Hadieri, told of visiting “20 secret facilities” for WMDs in Iraq. Al-Hadieri was praised in the White House dossier on Iraq. The reporter to whom he told the story is Judith Miller of the *New York Times*, co-author of a book about Iraq with Benador client and anti-Saddam Hussein loony, Laurie Myroie.

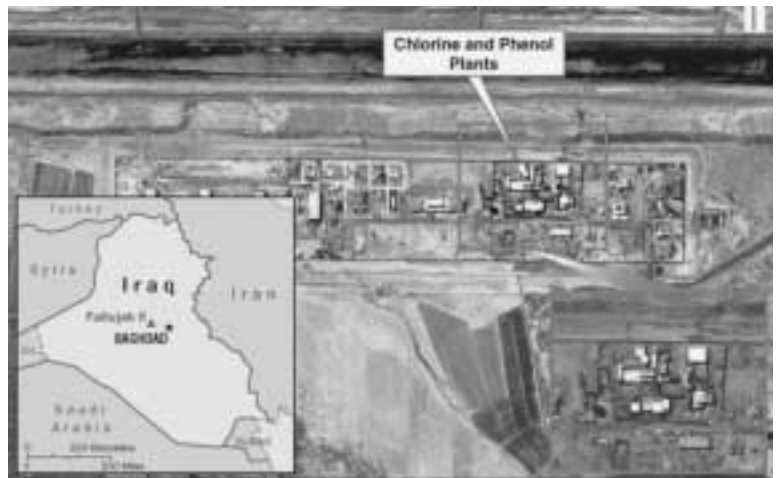
Surveillance Photos Hype

In the last week of September 2002, Tony Blair briefly dominated international headlines when he warned that it would only take “45 minutes” for Saddam Hussein to deliver a weapon of mass destruction. The war-mongers, at that time, were counting on Iraq never to let inspectors into Iraq, as he subsequently did.

While there is no way to definitively evaluate the inspections that have taken place, since much of the reporting is kept secret, it is abundantly clear that the sites featured in satellite photos played up on television, and in newspapers and magazines, were inspected—in some cases, three or four times—and nothing was found but red herrings.

The Al-Nassr complex (see photo), for example, was identified positively by the White House dossier as the site of a rebuilt and modernized chemical weapons facility. The charge has been proved unsubstantiated after the facility was searched by the UNMOVIC team at least once, on Dec. 27.

The Fallujah II plant (see photo) was identified in the dossier as the site of expanded chlorine production, at a “far higher” rate than needed for civilian production, which could be diverted “for military purposes.” UN inspectors have searched the site at least once, on Dec. 9, and again found nothing relating to WMDs.



Two sites which the British and White House “smoking gun dossiers” had identified as uncontested evidence of Iraq’s WMD: the Al-Nassr engineering complex (top) and the Fallujah II chemical plant; both are marked on the White House website. A third, even more emphasized, was the Tuwaitha Nuclear Research center (not shown). UN inspectors inspected these sites at least on Dec. 7, 9, 10, and 27, and found nothing to report.

The Tuwaitha Nuclear Research Center (just south of Baghdad), has been identified repeatedly as one of the gems of the Iraq WMD capability. So much emphasis has been put on it in the British and American reports that it was searched on at least three occasions, on Dec. 7, 9, and 10; and again, nothing was found to report to the UN Security Council in the inspectors’ Jan. 9 submission.

UN Secretary General Kofi Annan and members of the Security Council, including France, Russia, and Britain, have said the inspectors need the “space and time” to conduct their investigations. It is actually Ms. Benador’s clients, with their claims of “uncontested” secret evidence of Iraq’s WMDs, who are being discredited.

Book Review

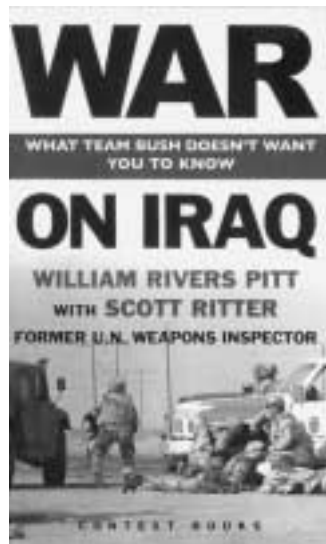
Scott Ritter: ‘J’Accuse’

by Michele Steinberg

War on Iraq: What Team Bush Doesn't Want You to Know

by William Rivers Pitt, with Scott Ritter
New York: Context Books, 2002
96 pages, hardbound, \$8.95

The interview with former UN chief weapons inspector Scott Ritter that makes up the bulk of this book, should have appeared as his testimony to a joint session of the Congress. The questions that author William Rivers Pitt poses, should have been asked by a panel of Senators and Congressmen, at the beginning of public hearings whose outcome could prevent a deadly war that could shape global politics for decades to come. If such an inquiry had taken place, the October 2002 vote in the U.S.



Congress on a “war resolution,” might have ended differently.

Ritter dispels hard-core myths that surround Iraq—he shows that the credentials of “Saddam’s Bombmaker”—Khidir Hamza, a frequent witness at Congressional hearings—are not what they are trumped up to be. He reveals crucial facts about the biased testimony of Richard Spertzl, former head of the UN biological weapons inspection team; and more importantly, about the political agenda of Richard Butler, the former Australian diplomat who became chairman of UNSCOM, the UN’s first weapons inspection team.

It is not too late for the U.S. Congress to get to the truth. Hearings that features Ritter’s valuable testimony on Iraq could be a priority for the incoming 108th Congress.

As an example of how dangerous these myths are, Ritter cites the “pre-emptive war” speech by Vice President Dick Cheney in August 2002. He says, “The Vice President has been saying that Iraq might be two years away from building

a nuclear bomb. Unless he knows something we don’t, that’s nonsense. And it doesn’t appear he does, because whenever you press [Cheney] . . . or other Bush Administration officials on these claims, they fall back on testimony by Richard Butler, my former boss, an Australian diplomat, and Khidre Hamza, an Iraqi defector who claims to be Saddam’s bomb-maker. Neither of these people provide anything more than speculation to back up their assertions. . . . [The] record is without dispute. It’s documented. We eliminated the nuclear program, and for Iraq to have reconstituted it would require undertaking activities eminently detectable by intelligence services.”

In October 2001, Ritter told this author that he had challenged Butler to a debate about Iraq “anywhere, anytime,” and that he has the knowledge and particulars that can prove that Butler is not truthful in his allegations about what Saddam Hussein and Iraq did. Ritter repeats the challenge to Butler in this new book. Hearings that challenge Butler, and investigate the possibility that an interlinked group of Iraqi dissidents, think-tankers, U.S. intelligence officials, and private financial conduits have provided *false* information about Iraq’s danger, should also be a priority.

As someone who has covered the Iraq situation for *EIR* for years, I have spoken with and interviewed Scott Ritter on several occasions. I have read and watched his testimony to Congress; his speeches to peace groups, to a British parliamentary meeting, and to the National Assembly of Iraq. This interview with Ritter stands as one of the most important that has been published. There is much fresh information that is especially important in the “countdown” to Jan. 27, when the inspection teams from UNMOVIC and International Atomic Energy Agency (IAEA) make their report to the UN Security Council.

Technical Details

This book puts on the record technical details about chemical, biological, and nuclear weapons, that are extremely important in determining whether we will have war or peace. Ritter systematically takes up every allegation and refutes most that have been made about Iraq’s weapons programs. He rigorously questions his own assumptions, and the assumptions of those who accuse Iraq of threatening the world with weapons of mass destruction.

These challenges—many of them quite simple—are eye-opening. The descriptions of UNSCOM’s seven years of work, 1991-98, are crucial. Ritter’s team were not librarians and accountants collecting figures. For example, Ritter describes the destruction of the Muthana State chemical weapons factory, first by bombing in the Gulf War, then by the UNSCOM teams. “We destroyed thousands of tons of chemical agent. . . . We had an incineration plant operating full time for years, burning tons of the stuff every day. We went out and blew up in place bombs, missiles, and warheads filled with this agent. . . . We hunted down this stuff and destroyed it.”

Ritter doesn't excuse Iraq for lying from 1991 to 1996, about VX gas and about its nuclear weapons program. He details how Iraqi officials falsified reports on the VX program again and again; but ultimately the production facility and stockpile were destroyed. Other agents like Sarin and Tabun "have a shelf life of five years"; therefore even if Iraq hid these chemicals in vast amounts, as many have claimed, they are now harmless.

On ballistic missiles, Ritter reveals that the 1989 missile program was full of problems. Test missiles "cartwheeled" and failed in many tests. In this area Ritter argues most strenuously for competent inspections, since even if ballistic missiles have been built *indoors* or underground, they must be tested *outdoors*, and this would have been instantly detected, and inspectors could find the test locations. It did not happen.

During his seven years in UNSCOM, Ritter spent a lot of time on "concealment" (the key issue in Bush Administration diatribes on Iraq's conduct in the inspections), and he "assembled lists of hundreds of Iraqi intelligence front companies" that were set up to procure supplies. Nothing the Iraqis did could be kept secret from the constant surveillance by the United States, Israel, UN agencies, and other countries, he says. He admits that there was much evidence that Iraq evaded the sanctions regime, and used its intelligence fronts to acquire military production equipment which "has nothing to do with weapons of mass destruction." This type of activity is *not* the basis for pre-emptive war, or regime change, or mass invasion; Iraq is not proscribed from having an army. "We never found concrete evidence of . . . acquiring proscribed items" for such weapons.

There is hardly an accusation about Iraq that has surfaced in the last two years, that Ritter does not mention—and refute: from alleged 9/11 hijacker Mohammed Atta's alleged ties to Iraqi intelligence; to Dick Cheney's aluminum tubes; to an alleged terrorist training ground using Boeing 747 airplanes (it doesn't, says Ritter, and it trained Iraq's own airline security, when it had an airline.)

As Administration warhawks now demand interviews of Iraqi scientists in order to get a new defector, Ritter gives the impression that the *last* thing that the world needs is another self-promoter like Khidir Hamza, or Ahmed Chalabi; these Iraqi defectors have dished out heaps of disinformation that is virtually sacrosanct to the Iraq war lobby in think-tank centers like the American Enterprise Institute.

War Avoidance

The subtitle to *War on Iraq*, "What Team Bush Doesn't Want You to Know," is appropriate. Pitt and Ritter deliver, naming the names of the neo-conservatives and the Iraq war lobby. Ritter, a Republican who voted for George W. Bush in 2000, identifies Secretary of Defense Donald Rumsfeld, Deputy Secretary of Defense Paul Wolfowitz, and "Prince of Darkness" Richard Perle, the Chairman of the Defense Policy Board, as the "fringe" thinkers, obsessed with Iraq,

who would have remained as "fringe," had it not been for the attack on Sept. 11, 2001. Today, they unfortunately are "in control" and pushing a war policy based only on their obsession.

For the last year, Ritter has come directly up against this war lobby, as he has taken a leading role in telling the truth about Iraq's weapons of mass destruction, and how it would be possible to end the danger of WMDs *without war*. Ritter told the Iraq government in early September, in no uncertain terms, to open up and allow the weapons inspectors in. To the chagrin of the U.S.-based neo-conservatives, Saddam Hussein did exactly that—opened up Iraq for inspections, even after the Iraqi Parliament voted against such a decision. And after six weeks of inspections, on Jan. 9 in a special session demanded by the United States, Dr. Hans Blix and Dr. Mohammed Al-Baradei, who run the inspections teams, told the UN Security Council that there had not been any interference by the Iraqi government in their tasks. The inspectors went anywhere they chose, and even, by the second week in January, were given Russian- and U.S.-made helicopters to arrive hours early to any target they decided on. On Dec. 31, UN Secretary General Kofi Annan told Israeli radio that "Iraq is cooperating and the inspectors have been able to do their work in an unimpeded manner, and I don't see an argument for military action now."

But this is not enough to satisfy the warhawks, who believed, first of all, that "Saddam" would never allowed unfettered access to any site that inspectors from UNMOVIC and IAEA chose, and they were therefore certain they could have a war before the November elections. They were wrong. Then, a series of provocations and psywar was launched, to attempt to provoke Saddam Hussein into confronting the inspectors, or impeding the operations. That also has not happened—yet. These provocations, from the escalated killing of civilians by "allied" British and U.S. air strikes in the "no-fly zones"; to the training of an Iraqi anti-Saddam Hussein "army," in Hungary, a NATO country, by U.S. forces; to a buildup of more than 100,000 U.S. military in striking distance of Iraq, are deliberately designed by the Iraq war lobby to trigger an incident that ends the inspections and leads to a "showdown." Again, the insights of Ritter, on how the actions by Butler and UNSCOM did provoke the Iraqi reaction, make the tactics of the secret psychological and special operations war, abundantly clear.

War can be avoided, and an Iraq that is free of weapons of mass destruction is possible—without invading or killing Saddam Hussein. But to get to peace, one must first honor the truth. This book is a good first step.

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LaRouche Ally Cheminade Stirs Up U.A.E., Qatar

by EIR Staff

Jacques Cheminade, President of Solidarité et Progrès—co-thinkers in France of Lyndon LaRouche—was in the United Arab Emirates and Qatar at the end of December, on a mission to stop the Iraq war and to advance LaRouche’s Eurasian Land-Bridge strategy, already widely debated by the press and leaders in the Islamic nations.

Cheminade addressed the Arab League’s Zayed Centre for Coordination and Follow-Up in Abu Dhabi on Dec. 30, on “War Avoidance Through Mutual Development of Sovereign States—The Mission of France”; and later met privately with Deputy Prime Minister Sheikh Sultan bin Zayed al Nahyan, chairman of the Zayed Centre. His audience—some 30 diplomats, journalists and experts from the Centre—expressed keen interest during a long discussion period and the subsequent lunch. Participants at the Zayed Centre wanted to know what combination of forces can preserve peace; and why has Europe been so absent up to now in the Middle East? They asked Cheminade if French President Jacques Chirac would hold out against an Iraq war; but also, why anti-immigrant racist Jean-Marie Le Pen got so many votes in the French elections last year? They wanted his judgment of Colin Powell’s initiative to promote democracy in the region; and how LaRouche linked his Eurasian Land-Bridge concept to Middle East development? There was also the question of the anti-Saudi “Pentagon briefer” Laurent Murawiec, and what the participants had heard about his presence in LaRouche’s movement in the past.

Insisting that lasting peace is only attainable by a system of mutual development among nation-states, Cheminade explained that a New Bretton Woods and Eurasian Land-Bridge perspective, associated with a Middle East program for greening the desert, based on new power and water systems and high-speed transportation, represent the chance for peace. Seeking any other solution, he said, would be like trying to breathe something other than air: economic development requires a new agreement of nations, and putting the usurious financial institutions into bankruptcy reorganization. rather than bankrupting countries in order to pay illegitimate debts.

LaRouche’s Crucial Role

The audience was most focussed on the role of LaRouche in organizing the institutions around the American Presidency to “jam up” the war drive against Iraq. Cheminade’s counterposition of the “utopians,” such as Paul Wolfowitz or Lewis Libby, as imperialists in the tradition of the Anglo-Dutch

liberal financial oligarchy; against LaRouche’s representation of the traditional “American System” of Roosevelt, Lincoln, or MacArthur, was a new concept for the Arab audience. He was peppered with questions on the issue.

The reality of the systemic crisis of the world monetary-financial system is difficult to understand for many, but the connection was made to the potential social and economic crisis in the Gulf region itself, they see more clearly what the utopians’ war policy is made from. Cheminade’s interventions were covered on national TV in the Emirates, as well as in the *Gulf News* and *Al Bayan*.

The next day, Jacques Cheminade and Odile Mojon also met a group of experts to discuss opportunities for exchanging ideas and cooperation. The need for a dialogue of civilizations, religions, and cultures was one of the main topics, including a better understanding of the common values of Islam, Christianity and Judaism.

New Bretton Woods in Qatar

From Abu Dhabi, Cheminade and Mojon visited Qatar’s capital, Doha, where they were special guests of the International Centre for Strategic Analysis. Cheminade gave an unusually well-attended lecture on Jan. 3, at the to diplomats, deans from the University of Qatar, strategists, friends of the Emir, and even dissidents (see presentation, below). The discussion focussed, again, on how to stop the war; but also, on the New Bretton Woods proposal; the participants asked why the first, post-war Bretton Woods collapsed. They also brought up the proposal of Malaysian Prime Minister Dr. Mahathir bin Mohamad, for a gold dinar for use in multilateral trade.

Cheminade was also invited to give a short class at the university in Doha, on physical economy and the systemic collapse, attended by many department heads. He was interviewed on Al-Jazeera TV, and on French-language radio for the Persian Gulf region. In addition, the English press headline, “Thwart War-Mongers of U.S., Says French Thinker” appeared in the Jan. 6 *Gulf Times*; and “U.S., U.K. Seeking To Impose Hegemony: French Leader,” in the Jan. 6 *The Peninsula*. Dr. Ahmed Kedidi, a good friend of Cheminade’s, penned an article in Arabic in the Jan. 8 *Al-Sharq* and other papers, and an interview was done by the Doha correspondent for Egypt’s Al-Ahram.

Cheminade, interviewed by “The LaRouche Show” U.S. weekly webcast on Jan. 11, reported that many in the Mideast see LaRouche as a sort of undiscovered planet, and it is very revealing for them to locate the tradition he comes from. They were fascinated to locate the ongoing debate in the Arab world within the tradition of Jamal ad-Din al-Afghani, Muhammad ‘Abduh, Ibn Badis, and others of the best Muslim 19th Century thinkers—the anti-British, anti-colonial, *ijtihad* investigative tradition. This represents, for the LaRouche movement, no academic discussion, but an active means of saving society. Cheminade found a growing call for dialogue, concrete cooperation, and improvement.

Beyond Iraq: War Avoidance Through Sovereign States' Mutual Development

by Jacques Cheminade

This speech was delivered on Jan. 3 in Doha, Qatar. Subheads have been added.

My deep thanks go first to the government of Qatar, and to the International Centre for Strategic Analysis and in particular to its president, Mr. Khaled Fahd al Khater, who made our trip possible. I am very honored to be with all of you this afternoon, at this moment of history when regional and world peace are at stake.

The title given to my speech is “Beyond Iraq,” because for me war is never unavoidable. Hence, linking the issue of peace in the Middle East to the much-needed global world developments, I would rather think in terms of war avoidance through the mutual development of sovereign nation-states and, in the process, define the mission of France as I see it.

Peace among nations and people demands a community of purpose based on mutual economic development. It is such a commitment to a better future, and only such a shared commitment, that is bound to create the conditions for a positive and lasting dialogue among all concerned parties, because to think and act on behalf of generations to come is the natural condition of mankind. The idea of “conflict” as the natural condition of world affairs—conflict among nations, religions, and cultures—has, on the contrary, to be overthrown, because it is a sickness, a degradation of man to bestial instincts. Samuel Huntington’s “Clash of Civilizations” exemplifies such a suicidal degradation.

This is the very principle to start from, a principle of human common sense, if we are really committed to avoid war and face the present systemic and monetary crisis which threatens to plunge the world into a new dark age of chaos.

The Near East and the Middle East, where the risk of war is presently at the highest, is for all of us the immediate challenge to prove our point. Diplomatic arrangements, taking into account the array of forces, may be useful, but lead nowhere without the initial commitment that I am stressing here. The real war is over economic strategy.

It is as a Frenchman, a very close friend of American political leader Lyndon LaRouche and an independent thinker that I feel endowed with a threefold responsibility to address

the decisive choice to be made, here and now, for the sake of humanity.

Change the Rules of the Game

If I say heavy words, it is not by personal inclination, but because we have reached a point where only heavy words make sense. Either we continue along the axioms and opinions that have defined our behavior until now, and war becomes unavoidable at some near point in the future, or we change our ways and define the conditions of a *vouloir vivre en commun*, of a renewed will to live together.

To abide by the rules of the game would mean self-destruction. Until now, the war against Iraq has been stalled. A very useful combination of international forces prevented it from happening: American flag officers, who are, in their overwhelming majority, against this war, especially in the ground forces and people retired from the military service; Lyndon LaRouche, who played a key role among the institutional circles of the American Presidency; German Chancellor Schröder and French President Chirac; the Vatican, Russia, and various heads of Arab states. The issue was put into the United Nations, the threat of a preventive war was temporarily brushed aside, and Resolution 1441 was voted up. Nonetheless, we are still in the middle of murky waters: People behind the war, most conspicuously in Israel, in the United States and in some forces under the British monarchy, are determined to get such a war going by any means possible.

If nothing is done to stop those people now, despite our past diplomatic efforts for peace, war is bound to happen, for lack of a real war avoidance policy. By the beginning of January, American soldiers deployed in the Gulf are going to reach 100,000. While the French, the Russians, and Hans Blix, the head of the UN team of inspectors, have stated that the Iraqi report is “incomplete,” but have stressed that until now there is no proven “violation,” Colin Powell has instead declared that because of its omissions, it represents a “patent violation” of Resolution 1441. President Bush has, for “international reasons,” cancelled his trip to Africa, formerly planned for mid-January.

Two dangerous points are agitated by those in Washington who are trying to push Saddam to make mistakes. The



Leader of France's Solidarité and Progrès, Jacques Cheminade, meets U.A.E. Deputy Prime Minister Sheikh Sultan bin Zayed, in Abu Dhabi on Dec. 30.

first one is the issue of the "Iraqi scientists," whom the American war-hawks want to bring out of their country for interrogation. If they are under custody of U.S. forces, such interrogations would not be accepted by any honest court anywhere in the world; something which does not bother Richard Perle, Donald Rumsfeld, Paul Wolfowitz, or their likes, because it is for them only a pretext to provoke war. The second dangerous point is that of the "classified evidence" obtained by U.S. satellites on the biological and chemical military stocks allegedly hidden by the Iraqis. More and more pressure will be put on Hans Blix and his team on this issue. . . .

The key point to understand here is that when you choose the grounds of the enemy to lead your fight, you are doomed, whatever your commitment, shrewdness, or capacity to solve such and such a single issue. If what is discussed is the "logic of war," war is the subject matter, and not peace.

We have now, between the end of this year and the end of January, when the UN disarmament experts will have delivered their report and President Bush his State of the Union address, about a month to change the rules of the game and define the grounds for peace, not war. No more and no less. Nothing is inevitable, but the situation is one of utmost emergency.

The Drive for a World Empire

The first thing to have in mind is the nature of the enemy of peace and the type of war he wants to unleash. Four points have first of all to be understood:

1. It is for economic reasons, faced with the collapse of the existing world monetary and financial system, that the war-hawks are in a flight forward toward war. Donald Rumsfeld put it quite clearly, when he said that for him the determining factor in the years to come will not be economic, but military. Military relations based on strength, for those people, should replace economic relations based on strength—at a point where the prevailing economic system

does not work any more.

2. The war against Iraq is therefore for them only a beginning. Like the Roman Empire, their strategy is one of permanent "conflict management" to remain in power.

3. They promote a "Clash of Civilizations" and a military policy whose aim is to loot or control natural resources, including, of course, oil, without any clear post-war policy except their brutish domination.

4. If applied, such a policy would not lead to any state of geopolitical "equilibrium" or even domination, but only to social and economic chaos and to the emergence of political monsters. Its deeply rooted weakness, to the our advantage as the friends of peace, is that it aims at starting a world empire at the very moment when its cultural and economic system has entered into its end-phase. The challenge for us is therefore to propose a better system, not based on conflict management, but on common development.

The targeting of the Islamic world, in that context, is the outcome of the "Clash of Civilizations" doctrine crafted by a veteran of British intelligence's Arab Bureau, Bernard Lewis; by former U.S. National Security Adviser Zbigniew Brzezinski; and by Samuel P. Huntington. Former National Security Adviser Henry Kissinger, a longstanding friend of both Bernard Lewis and Ariel Sharon, is committed to a slightly different language than Brzezinski et al., but shares the same general strategic doctrine.

Their policy is an outgrowth of an imperial doctrine intent on creating an English-language world government through the supremacy of nuclear weapons. In U.S. and related military circles, these people are known as the "utopians," and as opponents of U.S. military traditionalists such as Generals MacArthur and Eisenhower, and of the tradition of political leaders such as Franklin Roosevelt or, earlier, Abraham Lincoln. The present "utopian" strategic exuberance associated with such figures as Vice President Dick Cheney and Defense Secretary Donald Rumsfeld, and with their key advisers such as Paul Wolfowitz and Lewis Libby, is an outgrowth of the collapse of Soviet power. The American utopians and a significant portion of their British co-thinkers, reacted to the events of 1989-90 by viewing the collapse of Soviet power as the opportunity to establish a new Roman Empire. Such ideologues as Richard Haas or Michael Ledeen, who coined the explicit term, "universal fascism," have very openly and quasi-officially expressed such views. Their intention is to build the "new" world empire of the utopian faction in the Anglo-Dutch financier-oligarchic tradition. The intent to conduct a kind of "perpetual warfare" against the world's Islamic populations is a conscious adaptation of the ancient Rome's imperial "limes" doctrine: "us" in an endless conflict against "them," the "barbarians." It is also conceived as a geopolitical strategy of imperial, nuclear-armed maritime/air power, to prevent cooperative development within the "Eurasian heartland."

We French have the advantage of understanding what this

is all about, because it is the very enemy that Charles de Gaulle had to confront. De Gaulle's conception of national independence, peace among nations through common economic development, and a "Europe from the Atlantic to the Urals," was the opposite policy to that of this utopian faction. So we know what we are speaking about. Even if our present President [Chirac] is not a new de Gaulle, the image of de Gaulle tends to strengthen his actions, in certain crucial moments. Hence his intervention in the United Nations and his very useful organizing at the Beirut conference of the Francophone nations [in October 2002]. The point is to keep the pressure on him as the situation unfolds.

The key difference between de Gaulle's time and today, is the much more immediate nature of the danger, and also the presence in the United States of an exceptional intellectual exponent of the "anti-utopian" U.S. tradition—the tradition of such U.S. foreign policy thinkers as John Quincy Adams or James Blaine, and of the political tradition of Benjamin Franklin, Abraham Lincoln, and Franklin Delano Roosevelt. This leader is Lyndon LaRouche. His importance is not, as such, in "numbers," but in the power of ideas, at a point when those ideas are becoming again a matter of public debate. This tradition, even if in a blurred way, is still present in the institutions of the American Presidency. By that I don't mean the person of the President, but a large array of professionals inside and outside the institutions of government, including many people in government or who have retired from government service. These are referred to, in the United States, as "the institutions." When the President of the United States wishes to do something, he relies on these institutions in order to do it.

It is those professional institutions which, in a way, working with French and Russian institutions, created the conditions so far to stop the war drive, against the will of the utopians. It is that same combination of forces that we have to upgrade significantly in order to provoke a systemic economic and cultural change. In normal circumstances, the task would be almost impossible. But we are not under "normal" circumstances. The collapse of the world monetary and financial system, whose epicenter is in the United States, creates a favorable situation for fundamental change. The Chinese call that, to "ride the dragon," so to speak.

How To 'Ride the Dragon'

To accomplish that, three things are needed. A clear design for the future, an efficient combination of strategic forces, and the means to put pressure on the present governments of the world to raise up to the level of the circumstances.

A clear design: the only way to firmly root a lasting peace under the present circumstances of world financial, monetary, and political crisis, is, beyond fighting "against" war, to organize a system of mutual development among nation-states. To stay at the level of merely saying "no" is not enough, it is to abandon the ground to the pro-war, utopian faction. What

is important now is to define a "yes," a community of principle to base a pro-peace policy, to eradicate the war system. It means to replace the unjust, self-destructive, and usurious order of the International Monetary Fund by a new, more just new world order, based on great projects financed through long-term "deferred payments." "Deferred payments" means that the money advanced to finance the projects is going to be reimbursed by the outcome of the projects, as it was done after World War II under the Marshall Plan reconstruction policy, through the German Kreditanstalt für Wiederaufbau, or the French Fond National de Modernisation et d'Équipement.

Mutual development means great infrastructure projects bringing economic and social development to the poorest regions, considered as "reservoirs of resources." It also means a system which rejects the law of the jungle and the free trade of the World Trade Organization, and upholds, on the contrary, regulated exchanges and fair trade. This program has, of course, to be tuned with broad investment in the sectors of education, public health, and research and development, to raise the welfare and knowledge of the population to the level required to participate in those projects.

To accomplish this, you need, of course, money. There is a lot of money issued today, but only to maintain the financial and real estate bubbles, and related forms of speculation. Today, there is money everywhere, except where it is physically and humanly needed. That is why the states should regain the control of credit issuance, against the monetarist bankers, such as those controlling the American Federal Reserve or the European Central Bank. National banks should control the issuance of credit for great projects, to make the physical economy prevail over the speculative economy, the presently dominant usurious economy.

To clear the way for such initiatives, you need to prevent the money or/and credit issued from flowing into speculation. The present accumulated world debt cannot be paid, because it amounts to more than \$400 trillion, whereas the total yearly world production is no more than \$42 trillion. You have therefore the choice between putting the states into bankruptcy liquidation and looting the people and the nation's resources on behalf of financial interests, as it is presently done in Argentina; or putting the usurious financial interests which promote war, into bankruptcy reorganization instead, and reestablishing the rights of labor and production. The second choice is obviously ours, and there are not three. It means a shift in world axioms and principles.

Historical Precedents

This could and should be put in practice under a New Bretton Woods, a new monetary and financial world order inspired by the best of the Bretton Woods system before it was definitely dismantled at the beginning of the '70s, after the Aug. 15, 1971 decision taken by the Nixon Administration to decouple the dollar from gold, opening the way for the "law

of the jungle” which has created the conditions for the looting and military conflicts of today. This demands regulation: a system of stable exchanges, based on a common reference, a gold-reserve system (and not a gold standard system), gold being used among states to settle their accounts, but not as a basis for credit. Altogether, capital controls and exchange controls should be enforced when need be, the idea being that an organized and fair system is the best way to secure an economy oriented both by the state for infrastructure, and by entrepreneurs for productive investment.

This is the “new” system that Lyndon LaRouche, his wife, German political leader Helga Zepp-LaRouche, and myself are forcefully bringing to the attention of the world heads of states. It may seem a bit of wishful thinking to some of you. Well, we have already the Italian Chamber of Deputies, which voted for such a New Bretton Woods type of system. We have signatures from many parliamentarians from many other countries, such as Russia, Poland, Hungary, France, and Brazil. More than anything else, we have in Europe—in Germany and France in particular—the shock of history on our side.

The present economic crisis is such in Germany that the austerity policy of Chancellor Schröder has been severely criticized by French Prime Minister Jean-Pierre Raffarin, in unusually undiplomatic terms: “Germany is following a policy that may threaten European growth.” This declaration intersects a debate in Germany itself, where Schröder’s policies are compared to those of Chancellor Brüning of 1931-32, which paved the way to the rise of Hitler. This comparison was made by former Social Democratic Party head Oskar Lafontaine, but also even more interestingly by Herbert Giersch, former head of the World Economic Institute in Kiehl, and a neo-liberal of the right-wing Mont Pelerin stripe. Giersch stressed that there was an alternative, in the Germany of the ’30s, that could have prevented the rise of Hitler. Indeed, it was a policy proposed under different forms by both Wladimir Woytinsky, a Social Democrat and head of the Statistical Department of the General German Trade Union Alliance (ADGB), and Wilhelm Lautenbach, then a high official in the Economics Ministry.

What they presented was going exactly in the same direction as what I am proposing today, and of the policies of Franklin Delano Roosevelt in the United States! Lautenbach blasted the austerity policy of Brüning, and called for an investment and credit policy to mobilize the resources of the nation instead of limiting them: “The natural way to overcome economic and financial emergency,” he wrote, “is not to limit economic activity, but to increase it, because the market, in the current conditions of simultaneous depression and world



Former candidate for President of France Cheminade speaks at the Zayed Centre for Coordination and Follow-up of the Arab League, in Abu Dhabi on Dec. 30. He discussed with his audience, European-Arab cooperation to stop the Iraq war and build the Eurasian Land-Bridge idea of Lyndon LaRouche.

monetary crisis, no longer intervenes.” The Woytinsky, Tarnow, and Baade economic plan included the idea of issuing long-term credits with low interest and amortization; those credits would then be cashed in by Reichskredit AG, and they would be discountable at the Reichsbank.

(Unfortunately, the Laval government of France, in 1935 followed similar policies to those of Brüning before him, with the same unfortunate consequences: social chaos, economic regression, and ultimately, fascism.)

So Mrs. Helga Zepp-LaRouche and myself are saying to the Germans and the Frenchmen of today: Look what was missed in the ’30s, with such terrible consequences for Europe and the whole humanity. Today, the stakes are much higher because the world is globalized, and therefore the risks are even greater. Do something different this time; if in Germany and France during the ’30s, people had been able to follow the same policy as Franklin Delano Roosevelt in the United States, in all foreseeable probability, World War II would have never happened.

Concretely, for many years we have been stressing that the economic survival of Western and Central Europe lies in the major export markets of Asia, under the framework of regional and international monetary arrangements as described before. Mr. LaRouche called it a policy of a “Eurasian Land-Bridge,” which extends the concept of de Gaulle’s Europe from the Atlantic to the Urals. Why Eurasia? Because it is the most populated part of the world, associating technologies from the West and manpower and know-how from the East. The idea is to make a “whole,” a “one” powerful enough to represent an alternative to the present, bankrupt order, and to drag into it a United States pulled away from the “utopian” grip, for the benefit of all parties involved.

The Strategic Triangle

Our second condition to succeed is to assemble a strong enough combination of strategic forces behind such a vision.

A very important aspect of this is emerging: It is the Strategic Triangle among Russia, China, and India. Mr. LaRouche had first proposed this in August of 1998, in the context of the so-called GKO crisis, the Russian financial crisis under Yeltsin. Then Primakov, later Prime Minister of Russia, presented such a proposal in New Delhi, in November 1998. Primakov was soon ousted from his position, under pressure from the United States and others, precisely for having defined such an alternative. However, in the course of events, the present Putin Presidency in Russia, with India and China, have been nonetheless moving in a direction of cooperation with other nations of Asia.

The results of such cooperation are now emerging. Japan has no possibility of continued existence, other than returning to its former role as an industrial producer, cooperating chiefly with markets in Asia. Korea cannot survive without cooperation of this type. Russia and China need it. Japan, Korea, and China met with the nations of Southeast Asia, at the recent Phnom Penh conference dealing, among other things, with the multilateral Mekong development project, a summit also attended by the Prime Minister of India. Since then, you had the visit of President Putin to outgoing President Jiang Zemin of China, and then to Delhi, for extended meetings with the Indian government. Statements coming out of that show that the Strategic Triangle works, defining both an area of economic cooperation and of political security and stability.

Personally, I see my task as linking up what LaRouche represents in the United States and at a world level, with what should potentially come from Western Europe, to define a pro-peace, pro-development, war-avoidance system. At this point, two things are crucial for our European nations: first, to understand the dynamics of American policies, and second, to hook up with the Strategic Triangle of Asian countries—China, Russia, and India. In that, I see myself as an accelerator and catalyzer, not an observer describing a scene. In the world we have entered, there is no room for “useful” observers. My most difficult task in my country, although understood by some, is to explain that it is as irrelevant to be “pro-American” as to be “anti-American”—opposite expressions of a similar impotence. Our purpose should be to define a world for the “cause of humanity,” as de Gaulle said in a beautiful speech given in 1964, before the students of the University of Mexico, shaped around what Roosevelt defined, shortly before his death, as a “Global New Deal.”

As Chancellor Schröder indicated, during a recent televised address to the German population, long-term cooperation in technology-sharing between Germany and Asia is the only economic program in sight which can lift Western and Central Europe out of its present plunge into a depression.

The new Transrapid maglev, a magnetically levitated train “flying” on an air cushion some centimeters above the

ground, which was inaugurated on Dec. 31 between Shanghai and its airport, typifies the kind of large-scale, new forms of economic and technological cooperation needed between Europe and Asia. The same is true for France, in matters of nuclear energy, in which we are among the most advanced countries.

Transformation of Governments

Our last point is how to raise the present institutions and heads of world governments to the level of the circumstances, as de Gaulle once said. We have three key cards for that.

The first one, as I hinted before, is the explosion of the systemic crisis, which compels us to make unexpected decisions for the simple matter of survival. If we do what we have to do, for example, the victory of [Labor Party Chairman] Amram Mitzna becomes possible in the Israeli elections. If [the Likud party’s] Sharon and Netanyahu are ousted, then the possibility of a Middle East peace is greatly increased, both in the form of a renewal of Rabin’s “peace of the brave,” or of an agreement to have two separate states, and then negotiate from there on. Either approach—both have been proposed by Mitzna—would work, in my opinion. The European Union should fight for it, making clear that it will no longer accept the destruction by the Israelis of European-financed infrastructure and food assistance.

The ousting of Sharon is key to shift the balance of power within the American administration, because he represents the wild card of the Perles, Wolfowitzes, Feiths, or Rumsfelds. To some, a Mitzna victory may seem undesirable; to others, impossible. My answer to the first ones, is that working for “the lesser of two evils,” is always worse than a crime, a mistake. To the others, I say: “Look, the world is changing faster than you think. Roh Moo-hyun has fortunately won the South Korean Presidential election, and it is a victory for the Eurasian Land-Bridge and world peace. The Likud Central Committee scandal, at the same time, has badly impaired Sharon’s ability to win, all the more so because his own son Omri is heavily involved with such notorious financial gangsters as Shlomi Oz and Moussa Alperon, nicknamed the Al Capone of Israel. The heavy-handed intervention of the American utopians against Roh in the South Korean electoral process backfired; it may backfire against Sharon as well, if people don’t lose their nerve.

My second card in France is something that has not really existed as such, except for a few years under de Gaulle, but remains strongly in the minds and words of French institutions: the Arab policy of France. My bet is to bring it back into existence in the new context that I have defined, not against the Israeli people—even if surely against the fascist Sharon proto-military regime—but in the common interest of all people in the region. In that sense, the Near East and the Middle East should be seen as vital for the Eurasian Land-Bridge, and a strategic crossroads, a key component of the whole world strategy. This means to establish

the basis for three interconnected assets: water, power, and transportation.

The aim should be, as you have started to accomplish here, the greening of the desert for the benefit of all. This demands, as you know, power. Our experience in the domain of the peaceful use of nuclear energy should be put at your disposal, expanding in a different context what Eisenhower called “Atoms for Peace.” Nuclear energy could be then associated with the desalination of seawater to organize modern forms of irrigation, a human ecology as opposed to an ecology based on the cult of nature. Transportation should be adapted to the conditions of heat and desert, with special projects including access to our most developed technologies, the German maglev and the French high-speed rail. Why so, if the population density is now very low, and the land so dried up? Because to truly make peace, one should think in terms of the future, and transportation as ways to open corridors of development, to foster development around them, not merely to bring people from one place to another.

France, because of its experience and tradition, has a particular responsibility to bring forth that community of principle internationally and in your region. Not as a thing in itself, but as part of a renascent great design, as a mission.

My third card is the organization by the LaRouche movement, on a world scale, of a youth movement, not defined biologically, but by a commitment to those ideas. The youth of today feel deprived of their future, and rightly so, by the powers that be; our task is to empower them with a sense of that better future, and provide leadership in that way. We need, in each of our countries, a new generation of patriots and world citizens to sustain and further expand those absolutely necessary projects.

I am totally convinced that we have reached, for the first time in human history, a moment when we are all sitting in one boat. We have therefore no other choice than to create a political order worthy of human dignity, a just, new world economic order which allows not only the survival of all people, but an accelerated increase in their population-density—which measures, in human history the potential for progress.

Challenged with a great evil, man has the absolute capacity to respond with a greater good. But he should never compromise on the crucial issues. There is today no alternative to the community of purpose, the New Bretton Woods that we have defined.

To try to find a “second-best choice” would be to act like the man who cannot breathe, because there is no air, and desperately tries to breathe “something else.” There is no “something else” which could be a pathway for the future, a pathway for peace.

Let me end, even if I am not a Muslim, by saying, “There is no other God than God,” a God whom we see in the face of our fellow human beings when we do something good for them.

Once a Republic, Now an Empire?

by Gabriele Liebig

Presidential pre-candidate Lyndon LaRouche was the first to stress that the events of Sept. 11, 2001 must be seen as an attempt of certain U.S. intelligence and establishment circles to launch a non-stop war against Islam; and indeed, against any nations opposed to a New World Order which would be a parody of the Roman Empire. The drum is now being beaten, before a broad public, for America’s new imperial role.

Particular notice should be given to a piece of purple prose from the pen of Michael Ignatieff, a “liberal” political scientist now teaching at Harvard, which appeared in the *New York Times* Sunday Magazine on Jan. 5, under the title “The Burden.” *US News & World Report* came out with a special issue the same week, entitled “Towards a New American Empire?” while a widely-read website, stratfor.com, ran a story entitled “American Empire” without the question mark.

‘Shouldering the Imperial Burden’

Though not from the camp of those crash purveyors of agitprop, Wolfowitz-Perle-Shultz, Ignatieff makes a fervent plea for war against Iraq. Wielding what are purportedly arguments taken from history, his piece boils down to a claim that history requires of America that it conduct an Iraq war. It must acknowledge its role as the head of Empire, and call a spade a spade. America, that liberal Republic, must stop vacillating, and boldly proclaim that it is now an Empire.

No other nation, writes Ignatieff, “polices the world through five global military commands. . . . Being an imperial power, however, is more than being the most powerful nation or just the most hated one. . . . It means laying down the rules America wants . . . while exempting itself from other rules. Iraq represents the first in a series of struggles to contain the proliferation of weapons of mass destruction, the first attempt to shut off the potential supply of lethal technologies to a global terrorist network. . . . Weapons of mass destruction would render Saddam the master of a region that, because it has so much of the world’s proven oil reserves, makes it what a military strategist would call the empire’s center of gravity.”

Ignatieff is of course aware of the fact that “unseating an Arab government in Iraq while leaving the Palestinians to face Israeli tanks and helicopter gunships is a virtual guarantee of unending Islamic wrath against the United

States. . . . Properly understood, then, the operation in Iraq entails a commitment, so far unstated, to enforce a peace on the Palestinians and Israelis. . . . If an invasion of Iraq is delinked from Middle East peace, then all America will gain for victory in Iraq is more terror cells in the Muslim world.” Although Ignatieff may well see this as a means to shatter part of the opposition to the Iraq War, his argument is feeble. Why must the U.S.A. become an Empire, and launch war against Iraq, if its goal is peace in the Middle East? Since Israel is utterly dependent for its finances on the U.S.A., one would have thought it would suffice to pull the plug on all support to Ariel Sharon.

Michael Ignatieff’s grandfather, P.N. Ignatyev, was the Education Minister in Russia’s Tsarist Government, and his great-grandfather, N.P. Ignatyev, founded the Tsarist secret police, known as the Okhrana. Michael sees himself as the liberal spokesman of a reluctant imperialism, Empire Light perhaps. Imperialism, or so Ignatieff would have it, is a burden, which America can and must shoulder.

But Ignatieff is a Canadian citizen, with close ties to Great Britain, and, indeed, his imperialist views are very like those of the British school of “liberal imperialists,” notably Robert Cooper, Tony Blair’s foreign-policy guru, and Oxford historian Niall Ferguson.

Europe and the Empire

In Ignatieff’s imperial World Order, room will be left for America’s “wealthy European allies.” He sees little point in further ruffling the feathers of the Europeans, who have been downgraded to “reluctant junior partners,” seething with resentment. He accordingly proposes that the U.S.A. “include Europeans in the governance of their evolving imperial project. The Americans essentially dictate Europe’s place in this new grand design. The United States is multilateral when it wants to be, unilateral when it must be; and it enforces a new division of labor in which America does the fighting, the French, British and Germans do the police patrols in the border zones and the Dutch, Swiss and Scandinavians provide the humanitarian aid.

“Sept. 11 rubbed in the lesson that global power is still measured by military capability. The Europeans discovered that they lacked the military instruments to be taken seriously and that their erstwhile defenders, the Americans, regarded them, in a moment of crisis, with suspicious contempt.”

To the degree that one follows the official line, and accepts that the attack on the Twin Towers was indeed the act of Islamic terrorists alone, that sentence is utterly illogical, since the attacks were against the world’s militarily strongest nation. The passage makes sense, only when one reads the scenario implemented on Sept. 11 as a “deadly lesson,” a lever to heave onto the scene an American Empire, along with a new U.S. strategic doctrine of preventive military attacks.

Ignatieff’s outline for Empire goes far beyond the Iraqi question. However, he makes it plain that the attitude vis à

vis that war, both within and outside the U.S.A., is decisive in assessing whether or not the imperial project will be able to move smartly ahead. In other words, to go along with the war, amounts to meekly taking up one’s place in the new imperial division of labor. And that will mean the overthrow of all international law, in favor of a Hobbesian order. What some might see at first glance, as a *pax americana*, a state of imperial peace to be aspired to, will rather prove to be *bellum americanum*, a state of permanent war, lasting years, perhaps decades.

Imperial Strength or Weakness?

How very hollow rings the claim that imperial wars are being conducted in the name of democracy and freedom, is shown by the fact that, within the U.S.A. itself, the war against terrorism has led to ever-more-intolerable infringement on civil rights. This Ignatieff does admit, just as he owns that in the “conquered, liberated and democratized” countries, “real power . . . will lie with Washington.”

After World War II, the German people took very seriously the demand, by Nuremberg Prosecutor Robert Jackson, that war of aggression henceforth be deemed a crime against humanity. In 1949, that became a keystone of the UN Charter, and was included in the German Constitution. And yet Germany is faced with an American government that arrogates preventive, aggressive war. America’s friends need pay attention to one unintentional warning in Ignatieff’s piece: “To call America the new Rome is at once to recall Rome’s glory and its eventual fate at the hands of the barbarians. . . . Even at this late date, it is still possible to ask: Why should a republic take on the risks of empire?”

The Other America

The question, though a rhetorical one in Ignatieff’s mouth—he comes back with a veritable litany of arguments for war on Iraq—is of clinical interest nevertheless. A nation that, while fully aware of the risk of imperial decay, yet gambles all for a display of sheer military strength worldwide, is not just given over to reckless bravado: that nation has its back up against the wall. It is domestic weakness, and above all, economic weakness, that has led it to strongarm the world.

Relentlessly, U.S. Presidential candidate Lyndon LaRouche, that not-unknown leader of the opposition, has warned both his fellow citizens and the world, that the real threat to America is scarcely Saddam Hussein or al-Qaeda, but the onrushing collapse of the financial system, and the world’s leading economies. The scribblers churning out paeans of praise to a new Empire should think on this: Your Empire will sink, before it ever floats. On the other hand, if America has the sense to pull the economy back onto its feet, and to reorganize the bankrupt world financial system, there will be real support for American leadership—but not with Empire, and not with war.

Russia, Japan Adopt Partnership Plan

by Rachel Douglas

Following his own year-end state visits to India and China, Russian President Vladimir Putin began the 2003 diplomatic calendar by receiving the leader of another Asian powerhouse, Japan. Prime Minister Junichiro Koizumi came to Moscow Jan. 9-11 for talks, then visited Khabarovsk Province in Russia's Far East on his way home. While attempts to defuse the U.S. showdown with North Korea were, inevitably, high on the Putin-Koizumi agenda, it was the scope of economic cooperation discussed, the commitment to a new "strategic partnership," and the agreement to work around their decades-long territorial dispute, that led the Russian press to characterize the summit as "epoch-making."

According to Russian reports, Japan is working toward \$13 billion of investments into oil and gas projects in Russia, including the already started Sakhalin 1 and 2 projects and a possible pipeline from Eastern Siberia to the Pacific, which would open up the whole East Asia and Pacific market to Russian exports. Another \$20 billion could be directed into other areas of energy cooperation, including nuclear energy. Koizumi was prominently quoted in the Russian press, declaring that Japan is now interested in "large-scale economic projects" in Russia. *Izvestia* cited an unnamed official from the Japanese delegation, who said, "If we could combine the economic power of Japan with the resources of Russia, then fantastic possibilities would be created, that could change the whole world."

The two leaders adopted an Action Plan which Koizumi called a road map for the development of bilateral ties, with regional implications. It lists more than a dozen areas of economic cooperation besides energy, including innovations in credit mechanisms for financing joint projects, fisheries, forestry, atomic energy, space exploration, consultations on the function of the Trans-Siberian Railroad, and economic ties in northeast Asia. The biggest energy project discussed is also the most controversial: construction of a 2,485-mile-long, \$5 billion oil pipeline from Angarsk (Lake Baikal area) to Nakhodka (a Russian Pacific port). The controversy arises because this project is usually seen as mutually exclusive with the Angarsk-Daqing pipeline (1,491 miles, \$1.8 billion), under negotiation between Russia and China. Yukos, Russia's second-largest oil company and the developer of the Angarsk fields, favors the Daqing option. The state-owned Transneft pipeline company advocates the Angarsk-Nakhodka route, as not locking Russia in to just one market.

Transneft spokesmen have said they do not exclude simultaneous implementation of the two projects.

The Angarsk-Nakhodka pipeline would be expected to invite the exploration of new oil deposits along its route, as well as serving as an axis of development through Eastern Siberia and the Russian Far East. The Action Plan commits Russia and Japan to cooperate on pipeline construction, "in order to raise the level of energy security in the Asia-Pacific Region and the world as a whole." It also seeks strengthened ties between Japan and the relevant Russian regions. On Jan. 11, Koizumi became the first Japanese Prime Minister to tour this area, travelling to Khabarovsk to meet, among others, Governor Ishayev—organizer of the famous "Ishayev Plan" for developing the Russian economy, and a major promoter of cooperation with Japan.

A carefully worded section of the Action Plan deals with the territorial dispute over the four southern Kurile Islands, which remains the obstacle to finalization of a peace treaty between Russia and Japan to end World War II. The thrust of this section is that talks on this will continue, on the basis of joint declarations dating back to 1956, but that Japanese-Russian relations are too important to be stalled while waiting for a peace treaty. Putin did raise eyebrows in Russia when, in reply to a journalist, he went beyond the Action Plan's language about "overcoming the difficult heritage of the past," to note that "it must be taken into account, what events and what decisions resulted in these islands being under Russian jurisdiction." Russia has occupied the four islands since the end of World War II. Reflecting sensitivity on both sides to popular anger about possible territorial concessions in the future, the Action Plan calls for "efforts to explain to the public in both countries, the importance of concluding a peace treaty." But no time limits are set. Thus, Prime Minister Koizumi could return home and tell a meeting of his political party that a peace treaty will be signed, after the four islands are returned to Japan, without this being a precondition for any other components of the agreement. A Russian diplomat quoted by Japan's Kyodo news service said about the comprehensive scope of the Action Plan, "Japan has always [before] focused on the territorial issue, and this is the first time the Japanese have become realistic."

Putin and Koizumi stressed their commitment to a peaceful settlement of tensions in the Korean Peninsula, in the wake of North Korea's withdrawal from the Nuclear Non-Proliferation Treaty. After his meeting with Koizumi on Jan. 10, Putin said, "We paid attention to the fact that the North Korean leadership is leaving the door open for negotiations." He pledged Russian help in reestablishing full relations between North Korea and Japan, and hailed Koizumi's recent visit to Pyongyang as "a courageous and very correct, effective step."

Japanese Defense Force chief Sigeru Ishiba arrived in Moscow Jan. 14 on invitation from Defense Minister Sergei Ivanov. He also met with Foreign Minister Igor Ivanov.

Mitzna Rejects Unity Government With Sharon

by Dean Andromidas

Israeli Labor Party Chairman Amram Mitzna declared on Jan. 13 that he will never join a national unity government with Prime Minister Ariel Sharon (Likud), thereby refusing to be party to any scheme for saving Sharon's skin. *EIR* has learned that the push for a national unity government after the Jan. 28 elections is coming from the pro-war party in Washington and their powerful financial backers, including billionaire Michael Steinhardt.

Only a national unity government could save Sharon, who is beset by mounting charges of corruption and war crimes. Even if the Likud party wins the elections and Sharon is called to form the next government, Israeli sources predict that he will soon go from being Prime Minister to being the prime suspect in the ongoing criminal investigations. (Sharon's unity government collapsed on Oct. 30, 2002, when the Labor Party pulled out of the coalition, forcing new elections.)

In a Jan. 15 press conference, flanked by almost all the Labor Party's Knesset (parliament) members, Mitzna declared, "It is either us or him. We will not be in a government headed by Sharon. Period." Mitzna made clear that this is not a political tactic, but a moral question. "We will no longer blur our positions," he said. "From now on, the choice is sharp and clear. Either the rule of law and equality before the law, or continuous contempt for the law. Either maintaining security for the residents of this country or maintaining the settlers. This is a long battle over the right path, not over seats or jobs. Anyone who doesn't vote Labor is voting for Sharon."

The declaration was supported by all those among the Labor Knesset members who have been constantly trying to undermine Mitzna on this question. Ofir Pines, chief of Labor's Knesset faction, said that all were backing Mitzna, including former Sharon Cabinet members Binyamin Ben-Eliezer, Ephraim Sneh, and Shimon Peres, who have been the principal supporters of a unity government.

Asked to comment on Mitzna's statement, Sharon arrogantly replied, "I don't comment on things that aren't serious." Sharon had earlier told the *New York Times'* William Safire, "I don't doubt I will form the next government."

Who Wants To Save Sharon's Skin

Sharon has been the "weapon of mass destruction" for the war party in Washington, both inside and outside the Bush

Administration—the advocates of a Clash of Civilizations, pitting the West against the Islamic world. A U.S.-led war on Iraq has been integral to these plans, but now that the Iraq issue has been bottled up in the United Nations and a war could be postponed for many weeks, or completely called off, Sharon has to be kept in a "holding pattern." Without a unity government, Sharon would be forced to form a narrow right-wing government dominated by the lunatic chauvinist camp and sectarian religious parties. Such a government would soon fall and most likely lead to new elections. Its brutality would also drive Israel even further into diplomatic isolation. Only a unity government could possibly give Sharon the diplomatic figleaf he needs internationally, and the insurance he needs to stay out of jail.

Marc Rich and Michael Steinhardt, two of the biggest and dirtiest financiers of the war faction, were in Israel during the first week of January, pushing for a national unity government. Under the cover of a conference of "Birthright Israel," they met with key people in both the Labor Party and the Likud. Birthright Israel is a charitable organization which brings young Jews from North America and Europe for educational tours of Israel; but it also serves as a front for the Mega group of billionaires who underwrite the Clash of Civilizations extremists in both the Republican and Democratic parties in the United States, and the Labor and Likud parties in Israel.

Steinhardt is the top financial backer of Sen. Joe Lieberman (D-Conn.), the key promoter for war against Iraq in the Democratic Party. Steinhardt helped create the Democratic Leadership Council, which has been in the forefront of preventing the Democratic Party from taking any leadership in stopping the drive for war, and in presenting an economic alternative to the Bush Administration. Marc Rich, the Swiss-based commodities trader, has been identified by *EIR* as integral to the dirty money being funnelled into the Likud Party. Rich had also financially backed Labor's Ehud Barak in his 1999 election campaign for Prime Minister; Barak is now said to be one of the key supporters of a national unity government.

Others in the Mega group include Ron Lauder, the heir to the Estée Lauder cosmetic empire, who bankrolls the neo-conservatives in the United States, and Sharon and Benjamin Netanyahu (Likud) in Israel. There is also the Bronfman family of the Seagram's whiskey empire, and many more who, because of their wealth and power, enjoy tremendous influence in Israel.

Steinhardt and Rich, during their recent visit to Israel, were guests at a party given by Israeli businessman Alfred Akirov; others attending included Jerusalem Mayor Ehud Olmert (Likud) and Shimon Peres (Labor). Olmert, a key conduit of funds from the United States to Israel, especially from the Christian fundamentalists, is a Sharon flunky and supports the unity government, while Peres (who served as Sharon's Foreign Minister) is said to be ready to once again

provide Sharon's diplomatic figleaf.

Upon his return from Israel, Steinhardt told a Washington, D.C.-based reporter that he had had dinner with a Sharon "confidant" on Jan. 12. Claiming that he did not support any particular Israeli party, Steinhardt said that clearly there would need to be a "national unity coalition." Asked how this might be possible, given Mitzna's rejection of the idea, Steinhardt replied, "Well, there is a difference between what a politician says during an election, and what he is prepared to do after the election." He confirmed that Sharon and certain Labor Party elements were conspiring to undermine Mitzna's position: "There are all sorts of such things going on."

While the election polls change every day, the reality is that, should Sharon win and be able to form a government, its duration would be very short. The Likud will not have a large majority, and some of the smaller parties which are more opportunistic than ideological will be loath to go to early elections yet again. Thus, even if Labor loses the elections, Mitzna could very well be asked to form a government once Sharon's falls. Mitzna would be in a position to force the adoption of his policy of reopening negotiations with the Palestinians and withdrawal from the West Bank and Gaza Strip.

A few days after his press conference, Mitzna told Israeli TV, "Ariel Sharon will not be Prime Minister. It may not happen in two weeks, but it may happen in two or three months."

An Israeli intelligence source suggested that certain Anglo-American factions have signalled that they would support a Mitzna-led majority government. This source pointed to Mitzna's recent trip to London on the invitation of Prime Minister Tony Blair, as having strengthened his position in the Labor Party, enabling him to make this move. On the other hand, he said, the war party in Washington "is not pleased" with these developments.

Sharon's 'Rich Uncle' Was Bankrupt

The revelations of sleaze and corruption that have dominated the headlines of the Israel press just won't go away, as Sharon gets caught up in his own lies. The scandal around accusations that Sharon was illegally raising money, to pay off illegal foreign campaign contributions to his 1999 primary campaign, gets deeper and deeper. On Jan. 11, when Sharon turned a press conference—where he promised to present the "truth" with "facts and documents"—into a torrent of attacks on Mitzna, election Judge Mishael Cheshin ordered the live broadcast to be blacked out, for being a gross violation of election laws.

Sharon denies charges that a loan of \$1.5 million given by an old army buddy, Anglo-South African businessman Cyril Kern, went to pay off these illegal debts. Both Kern and Sharon have tried to make the money appear as a nothing but a loan between friends to help Sharon's son Gilad finance his

farming operations. Kern, who has made himself appear to be a very successful businessman, said he was only too glad to "help an old friend." Now, this story has been revealed to be a pack of lies.

The Israeli daily *Yedioth Ahronoth* on Jan. 16 revealed that one of Kern's business partners was Arie Genger, the Israeli-American businessman whom Sharon has designated his back-channel to the Bush White House. Genger is a protégé of tycoon Meshulam Riklis, who was also an early financial backer of Sharon's political career, and who made his fortune as an associate of organized crime kingpin Meyer Lansky. Genger is also business partners with the Bronfman family—the same Bronfmans who are members of the Mega group. The newspaper's revelation points to the possibility that Kern was nothing more than Genger's cut-out to get "mega-bucks" to Sharon, from financiers in the Mega group.

EIR's investigation has discovered that Kern was a one-time bankrupt, who has never in his life possessed \$1.5 million in ready cash. According to records at England's Company's House, Arie Genger was a director of Kern's Reldan Ltd. until 1992. A former employee of Kern's told *EIR* that Genger left the board, because the company went bankrupt. "You're asking me to talk about the worst two years in my life," Kern's former employee said, adding that Kern had been running a bankrupt company on overdrafts and borrowed money. "The creditors and vendors were always knocking the doors down trying to get their money." He said, "Yes, I remember seeing General Sharon, coming to visit the factory with several other old Army buddies." He revealed that Genger had lent Kern the last £100-200,000 before the company went bankrupt. "If I remember correctly, Genger never got his money back and then called in the receivers." Asked whether Kern could have had a change of fortune that enabled him to lend Sharon \$1.5 million, the source laughed, "It would have been against the trend."

The loan affair is only one of many cases that will not go away. Police are busy investigating charges that the Likud Central Committee members demanded cash for votes in the convention that chose the candidates list for the Knesset election. Indictments are said to be on the way. More important is that police are expected to question Sharon's son Omri, who organized a recruitment drive that doubled the Likud's membership, and brought the top crime bosses in Israel directly onto the Central Committee.

Sharon is not the only one that could get hit. It was reported on Israeli Army Radio on Jan. 14, that Foreign Minister Benjamin Netanyahu, Jerusalem Mayor Olmert, and Minister Without Portfolio Danny Naveh all raise money in the United States for the Israeli charity Hatzalah Yehuda and Shomrom. But instead of using the money to purchase emergency medical equipment for the settlements, as its charter stipulates, the money was transferred to the Likud. Netanyahu, Olmert, and Naveh deny that they knew the money was being illegally given to the Likud.

A Bigger Scandal: Illegal U.S. Funding of Ariel Sharon's Likud

by Anton Chaitkin

EIR's recent series of exposés tracing the dirty money behind Israeli Prime Minister Ariel Sharon and the Likud party, have helped fuel the roaring political scandal threatening to wreck what was once thought to be a certain Sharon win in the upcoming Jan. 28 election. Since the series began, Israeli and American journalists and researchers have provided revealing information concerning the Likud's most important foreign funders, which, upon investigation, has proven to be accurate.

Israeli law has, since 1994, *prohibited* foreign donations to Israeli election campaigns. Yet tens of millions of dollars have continued to pour in from abroad, financing the radical-right Likud political apparatus which is driving the Mideast and the world into religious-ethnic warfare. One prominent Israeli jurist told *EIR*, "Talking about illegal foreign money flows into Israeli elections is like talking about illegal booze in Chicago during Prohibition. Everybody does it, or you just don't survive."

But in the case of the money propping up the Sharon regime, its legal prohibition is made more sinister by its sources, primarily in the United States. They include heirs of the Meyer Lansky/Moe Dalitz mafia syndicate; Michael Milken's junk-bond "monsters," corporate predators, and looters; and the sponsors of terrorists such as Meir Kahane and the Armageddon-theme racial and religious provocateurs.

According to knowledgeable Israeli sources, the following names are at or near the top of the list of perpetrators, whose covert funding of the Likud has brought the Mideast to the brink of disaster.

The Lansky-Dalitz Legacy

The most important Likud sources are associates of Michael Milken's multibillion-dollar scams of the 1980s and early 1990s, and of mob bosses Meyer Lansky's and Moe Dalitz's Las Vegas:

- **Jay Zises:** (pronounced "zee-sees"), a Likud funder with his wife Nancy. As of 2000, Jay was president of "Friends of the Israeli Defense Forces in the United States."

Jay Zises and his brother Selig founded Integrated Resources, a hyper-leveraged tax shelter. The Zises debt pyra-

mid blew out in 1989, defaulting on \$955 million. The scheme was financed by Drexel Burnham Lambert's junk-bond kingpin Michael Milken and his family, and by those backing Milken, including Zises' former boss Saul Steinberg, and executives of Carl Lindner's dope-running United Fruit/Chiquita Banana. A Federal judge ruling on a lawsuit against Integrated said, "This case arises from the ashes of what is regarded by some as the most spectacular scam of the 1980s."

Milken and others were jailed, but the Zises brothers, bought out by Milken's cousin Stanley Zax shortly before Milken was indicted and Integrated collapsed, escaped with a fortune.

Jay Zises created the Roundtable Political Action Committee, a U.S. election campaign-financing arm of the Milken clique, operating from Integrated's New York office. His brother Seymour was president of the coordinating "National PAC," which operated from Washington. Run in tandem with the American Israel Public Affairs Committee (AIPAC), these are the PACs which established, in America, the pattern of dirty-money election financing which rules Israel today.

Contributors to Jay Zises' Roundtable included members of the Meshulam Riklis family. Riklis, a mobster go-between for dope-runner Robert Vesco, Vesco's lawyer Kenneth Bialkin, and the Milken group, was Ariel Sharon's personal financial angel. Riklis donated the ranch where Sharon lives today, and where Sharon, Henry Kissinger, Riklis, Bialkin, and others planned the West Bank settlement land-scam and rightist offensive exposed by *EIR* in 1986.

Other Roundtable contributors included convicted Wall Street swindler Ivan Boesky; Saul Steinberg's family; the Milstein family, partners in United Fruit; and the family of Laurence Tisch (of Loews Corp. and Lindner's United Fruit apparatus).

- **Marc Belzberg:** Canadian funder of the Likud/West Bank settlers covert nexus. Marc's father and partner, the notorious predator Sam Belzberg, was part of the inner core of the Drexel/Michael Milken junk bond operation, and a sponsor of corporate raider T. Boone Pickens. The Belzbergs bought up large blocks of stocks, and took "greenmail" from companies wanting to avoid their hostile takeovers. Marc Belzberg and his family holding company First City Financial were sued by the Securities and Exchange Commission



(SEC) in 1986 and forced to disgorge \$2.7 million in profits, for “stock parking” with banker Bear Stearns in a takeover-scam against Ashland Oil.

The Belzbergs were partners in Zises’ Integrated Resources, and arbitrage partners of Roundtable PAC co-founder James Tisch, son of Laurence Tisch.

Marc Belzberg is a director of the *Jerusalem Post*, the right-wing daily controlled by the Anglo-Canadian rightist Hollinger Corp. of Canadian-born British Lord Conrad Black.

Belzberg is a major backer of Ateret Cohanim, the Sharon-linked Jerusalem yeshiva which is purporting to train the first “priesthood” for the Third Temple, which they plan to build on Jerusalem’s Temple Mount, the site of two of the holiest sites in Islam. Belzberg was personally involved in the scheme to open up tunnels under the Temple Mount, with the aim of causing religious warfare over the intended destruction of the Al-Aqsa mosque on the Mount.

- **Ira Rennert:** a heavy donor to Likud political campaigns. A partner in the giant Milken/Zises Integrated Resources scam, Rennert parlayed his loot into his current Renco Group conglomerate in Rockefeller Center, New York; his net worth is about \$500 million. Since the collapse of Integrated, Rennert has siphoned off funds from numerous businesses.

Besides right-wing Israeli policies, Rennert’s loot has paid for a Long Island home with 29 bathrooms and a 100-car garage. Benjamin Netanyahu is often a guest at Rennert’s house in Jerusalem.

Ira Rennert and his wife Ingeborg finance the Western Wall Heritage Foundation. As Prime Minister, Netanyahu

gave this New York-based group of fanatics physical control over the tunnel entrance to the complexes underneath the Temple Mount, putting Rennert’s foundation in charge of screening and admitting visitors.

- **Marvin Josephson:** Likud sponsor and longtime owner of the Hollywood and literary agency ICM (International Creative Management). Josephson has been chairman of “Friends of the Israeli Defense Forces.” He was chairman of the National PAC, under its founding president Seymour Zises.

Josephson is a cousin to Murray Wilson, a Lansky Syndicate money-launderer and soldier for the Genovese crime family who linked up the Russian Mafia with the Marc Rich apparatus in New York.

Marvin Josephson has a few personal clients, including Henry Kissinger. He was the agent for Kissinger’s recent book, *Does America Need A Foreign Policy?*

- **Henry Kravis:** sponsor of the right wing in Israel and U.S. Republican Party. Kravis’ ties to the Bush family, apprenticeship at Bear Stearns (Caribbean banker for Meyer Lansky, and the casinos), and multibillion-dollar schemes with Milken, have ballooned into Kohlberg Kravis Roberts’ total investment assets of over \$85 billion.

KKR used leveraged buyouts, forcing debt on the take-over target, selling worthless bonds to state pension funds, insurance companies, banks and \$20 billion to Milken’s Drexel Burnham. It was the very model for the bankrupting of the U.S. economy over the past quarter-century. Kravis’ \$25 billion takeover of RJR Nabisco (R.J. Reynolds Tobacco) was the subject of the bestselling book and movie, *Barbarians at the Gate*. The echoes of that gangsterism are still heard: In December 2002, the European Union charged RJR Nabisco with money laundering in a suit filed in U.S. Federal Court. The EU complaint says the firm has “engaged in and facilitated organized crime by laundering the proceeds of narcotics trafficking and other crimes. . . . Defendants have laundered the illegal proceeds of members of Italian, Russian, and Colombian organized crime through financial institutions in New York City, including the Bank of New York, Citibank, N.A., and Chase Manhattan Bank.”

- **Steven Wynn:** tough-guy casino owner and Likud backer. Wynn started in Las Vegas in 1967, with a small interest in the Frontier Hotel casino, then controlled by the Detroit mob. He later took control of the Golden Nugget casino. In 1980, with financial backing from Drexel Burnham Lambert, Wynn built the Golden Nugget casino in Atlantic City, New Jersey, where Meyer Lansky’s Resorts International had opened the first casino in 1978. Wynn sold the Atlantic City casino and took more from Milken’s Drexel to build the massive Mirage in Las Vegas, which opened in 1989. Drexel also funded other casinos, pumping billions of hot dollars into Vegas as part of Dope, Inc.’s transformation of its money-laundering center from a city run by the old-style

Mob, into a resort center with the organized-crime activities hidden behind slick corporate fronts. Wynn is a personal friend of Milken, his neighbor in Lake Tahoe.

The mid-1990s book, *Running Scared: The Life and Treacherous Times of Las Vegas Casino King Steve Wynn*, by the famous *Las Vegas Review-Journal* reporter John L. Smith, alleged that Wynn was a front for the New York Genovese organized crime family. Wynn sued the publisher for libel and won. Wynn is deeply feared in Las Vegas.

A biography of Steve Wynn on the Milken Institute website says, "Wynn is widely credited with transforming Las Vegas into a world-renowned resort destination"; and he is on the Advisory Board (chaired by Paul Volcker) of the Center for Strategic and International Studies in Washington, a trustee of the University of Pennsylvania, and a member of the board of the George Bush Presidential Library.

- **Mervyn Adelson:** of Hollywood, Las Vegas, and Tel Aviv, an investment partner of Dalitz and top donor and friend to Netanyahu. The former husband of TV journalist Barbara Walters and former chairman of Lorimar-Telepictures, Adelson is an investment manager in Los Angeles.

Cleveland mobster Moe Dalitz, who opened up Las Vegas with Lansky, teamed up with Mervyn Adelson to create the Rancho La Costa resort in California. Adelson and Dalitz spent a decade suing *Penthouse* magazine over an article claiming that this Adelson investment had become the favored hangout for American gangsters, where murders were planned in luxury and confidence. Jimmy "The Weasel" Fratiano testified that he met there to plan the murder of actor Desi Arnaz. The suit was dropped after *Penthouse* apologized to Adelson, but not to Dalitz.

Merv Adelson's former attorney, Yaakov Ne'eman, became Israel's Finance Minister under Prime Minister Netanyahu, and is one of Netanyahu's closest advisers on law, donations, and investment subjects. As the scandal over Likud gangsterism has broken wide open, the governor of the Bank of Israel (central bank) has criticized Sharon's policies; Sharon has responded by threatening to make Adelson's man, Ne'eman, the Bank's governor instead.

- **Sheldon Adelson:** casino mogul, one of four foreigners named by the *Jerusalem Post* as contributing over \$100,000 to the Likud's 1996 election campaign (the other three were Ronald Lauder, Joseph Gutnick, and Irving Moscowitz). (Sheldon and Mervyn Adelson are not related.)

Sheldon Adelson bought out the Las Vegas Sands Hotel, pioneered by Lansky, Moe Dalitz and Bugsy Siegel. Adelson developed the massive Venetian Hotel/casino, its themes carefully modelled on Venice, the historical center of oligarchy, tyranny, and corruption. He has fought a long, bitter battle against the workers and labor unions in Las Vegas, and is a central player in the casino domination of politics—ownership of politicians—in Nevada.

Sheldon Adelson has poured huge sums into Israeli poli-



"Milken's monsters," the corporate raiders and junk-bond swindlers infamous in the Wall Street scandals of the 1980s and since, have been central contributors to the shift of Israel's politics to the right, and to the armageddonist—despite a 1994 Israeli law forbidding political contributions from outside the country.

tics. He has sought approval to build casinos in Israel itself—as did Meyer Lansky—but has so far not succeeded. Adelson finances the Lubavitcher cult, which operates a right-wing political and dirty-money empire from Russia to New York's diamond district, to Israel. The Lubavitchers, who agitated against the Oslo peace accords, are emerging as the dominant force in the Jewish community in Las Vegas—despite mainstream Jewish revulsion at their tactics and politics.

Last year Adelson was granted one of three gambling licenses (Steve Wynn also got one) in Macao, China, the former Portuguese colony near Hong Kong. Adelson says what Macao needs is a Vegas-style Strip, which he envisions building.

The Dirty Millions for Armageddon

- **Irving I. Moscowitz:** casino owner, Likud funder, and war-monger. *Time* magazine's Sept. 29, 1997 issue profiled Moscowitz as a major danger to the Middle East peace process, in an article entitled "The Power of Money: American Millionaire Irving Who?? Sets Off Seismic Jolts in Israel": "It was his [Moscowitz's] bingo-parlor proceeds that financed

the Jewish zealots who set up house in an Arab neighborhood in East Jerusalem, nearly provoking violent confrontation with the Palestinians and casting a blight over the peace process. . . . His money helped prompt the opening of a new exit to an archeological tunnel in East Jerusalem a year ago that sparked a bloody three-day gun battle between Israeli and Palestinian security forces in which 76 people died. Trust between Israeli and Palestinian leaders has never recovered.”

Moscowitz made money selling hospitals to conglomerates, and in 1968 set up the Irving I. Moscovitz Foundation, which funds groups dedicated to expanding Jewish settlements in the Palestinian territories occupied by Israel after the 1967 War. This dollar stream increased markedly after 1968, when officials in Hawaiian Gardens, California, asked his Foundation to take over a failing bingo hall that was a crucial source of local tax revenue. Within three years the take on the parlor grew to \$33 million a year. While Moscovitz paid some to the impoverished company town, most of the money went to the Jewish settlers. He launched a movement called the Third Way, which subsequently became a political party in the Likud’s ruling coalition of 1996-99. The head of the Third Way, Public Security Minister Avigdor Kahalani, was the man through whom Moscovitz negotiated the opening of the tunnel in which 76 died. In an Israeli newspaper interview in August 1997, Moscovitz said he had helped Netanyahu financially, stating: “Yes, not much, and in the framework of the law, from my private funds.” He added: “Every time Netanyahu asked for advice, I helped. We are friends.”

The current Intifada started in September 2000, after Sharon made a visit to al-Haram al-Sharif (Temple Mount) and other holy sites in East Jerusalem, the formerly Arab-controlled part of the city, where Moscovitz had funded the building of a 132-unit apartment building for Jewish settlers in the Ras al-Amud neighborhood. Sharon fully backs this project, and he had himself, in October 1987, rented a flat in the Muslim Quarter of the Old City. Sharon draped an Israeli flag on the building, sparking a riot as he entertained 700 prominent Israelis. And when tension was further increased through a Panamanian front company purchasing St. John’s Hospice in the Old City’s Christian quarter so that 150 settlers could take possession of it, Sharon paid them a visit.

Behind both these incidents was Ateret Cohanim, which is training the priesthood for the apocalyptic Third Temple with major funding from Moscovitz. In 2000 alone, the Irving I. Moscovitz Foundation gave \$85,000 to Ateret Cohanim; \$90,000 to Old City Charities, for settlers in the Muslim Quarter of East Jerusalem; \$105,000 for the Hebron Fund (a hotbed of Kach Party terrorism, as in the case of mass-murderer Baruch Goldstein, who killed 29 Muslim worshippers in Hebron in 1994); and similar large sums to U.S.-based political groups (such as the American Enterprise Institute and the Zionist Organization of America) promoting war with Muslims.

• **Joseph Gutnick:** the Australian mining magnate and corporate predator, reputedly the richest man in the ultra-Orthodox Jewish world. Following the Nov. 4, 1995 assassination of Israeli Prime Minister Yitzhak Rabin, Gutnick poured over \$1 million of his personal funds into the Likud election campaign of Benjamin Netanyahu. Gutnick also financed a 5,000-person “get out the vote” effort by the Lubavitcher Chabad cult. Netanyahu had a razor-thin margin of victory over Labor Party leader Shimon Peres. Since then, Gutnick has poured additional millions into building Jewish settlements in occupied Palestine, and has constantly agitated for conflict with the Palestinians.

Writing in the Australian daily *The Age* on Feb. 3, 2001, reporter David Bernstein played down Gutnick’s financial contribution to Ariel Sharon’s 2001 election campaign: “Gutnick—mining magnate, the Lubavitcher Rebbe’s Special Emissary for the Integrity of the Land of Israel and the president of the Melbourne Football Club—is in the Holy City [Jerusalem] and on the campaign trail. . . . Gutnick is doing everything he can to ensure a Sharon victory, even though, given Sharon’s huge lead in the polls, Gutnick has not needed to bankroll an advertising blitz, as he did in 1996 to help elect Netanyahu.

“Four years before his death in 1994, Rabbi Menachem Schneerson, head of the Lubavitcher sect of Orthodox Jewry, entrusted Gutnick with ensuring that Israel is always ruled by a right-wing government committed to the territorial integrity of the Biblical Land of Israel. To achieve that, Gutnick uses his wide-ranging political contacts and considerable influence with Israel’s large ultra-Orthodox community, to which he has donated many millions over the years.

“Gutnick’s campaign in 1996—widely seen to have been decisive in Netanyahu’s election—came under close scrutiny from Israeli authorities, with claims of improper funding. An investigation later cleared him of any wrongdoing in both the 1996 and 1999 elections.

“‘It’ll be wonderful to have a right-wing government back in power,’ Gutnick said by phone this week. . . .”

Former Prime Minister Netanyahu visited Australia in August 2001, as Gutnick’s guest, promoting Australian backing for the Likud’s war policy, and officially opening the \$3 million replica of the New York headquarters of the Lubavitcher movement that Gutnick built in a Melbourne suburb.

Joseph Gutnick amassed a half-billion dollars by the late 1990s, speculating in and manipulating stocks of mining companies, with backing from the British Privy Council’s raw materials apparatus, such as Anglo American/DeBeers and Rio Tinto Zinc, and in partnership with mega-speculator George Soros. Gutnick’s fortunes were later somewhat deflated—while many stockholders in his companies have been wiped out from the collapse of Gutnick’s Centaur Mining Company.

The *Asian Journal of Mining* for July/August 1997 reported that Gutnick’s organization was buying up the Wa-



The illegal money flows into Israel to support the Likud, have been equally for Sharon's factional rival and former Prime Minister Benjamin Netanyahu, as for Sharon and his faction.

fangdian diamond mine in Liaoning province in China and the Mengyin diamond mine in Shandong province. With these acquisitions, the cult leader Gutnick would control approximately one-half of the national diamond output of China.

Gutnick is now suing Dow Jones, publisher of the *Wall Street Journal* and *Barron's*, claiming a *Barron's* article defamed him by implicating him in an Australian money-laundering scandal. Gutnick claims that *Barron's* implied he had laundered large amounts through the now-jailed Melbourne money launderer Nachum Goldberg, and then "bought Nachum Goldberg's silence so as to conceal his identity as one of Goldberg's customers." Gutnick also alleged the article implied he was "masquerading as a reputable citizen when he was, in fact, a tax evader who had laundered large amounts of money through Nachum Goldberg." Nachum Goldberg was jailed in June after pleading guilty to laundering at least \$42 million in black cash through Israel, for unidentified tax evaders, using an account at the ANZ Bank. Goldberg is described as an "influential" mem-

ber of the ultra-Orthodox Addas Israel community.

Geoffrey Robertson, the Australian barrister representing Dow Jones in the case, told the Victoria (Australia) Supreme Court on June 4, 2001, that he found it bizarre that "the article accuses the plaintiff of a series of offenses, stock manipulations, classic stock scams and frauds and connections with money-laundering," but that it was only the money-laundering connection that had become the subject of defamation proceedings. There are "seven reasons [given in the article] why [Gutnick] should be investigated by American regulators, the tax service . . . and why investors should beware of him when he comes in the guise of religious philanthropist, because of his record of exploiting religious charities for these purposes."

- **Steven L. Friedman and Menachem Atzmon:** partners in Likud money-laundering, with implications in the Sept. 11, 2001 terrorist attacks.

A Philadelphia lawyer, Friedman was the general counsel in the United States for the Likud party of Israel from 1984 (or, officially, 1988) to 1999. Friedman is a close friend of the Netanyahu family; he grew up in Wyncote, Pennsylvania, around the corner from Benjamin and his father Benzion Netanyahu, the senior aide to the late Israeli avowed fascist Vladimir Jabotinsky.

Israeli plutocrat Menachem Atzmon was co-treasurer of the Likud, along with Jerusalem Mayor Ehud Olmert, during and after the 1988 Israeli elections. In August 1988, Atzmon worked with Olmert and two other men to collect illegal contributions for the Likud from corporations, against Israel's party funding law, by providing fictitious advertising services to the contributors. Atzmon was later convicted in that campaign finance fraud, while Olmert was acquitted.

Up until his 1996 conviction, Atzmon was president of the Israel Development Fund (IDF), a U.S. tax-exempt foundation funneling money illegally to the Likud. IDF is one entity in a cluster of such false-front Likud money spigots, all run by Philadelphia attorney Steven L. Friedman, a partner in the Dilworth Paxson firm.

Friedman has overseen the Likud's U.S. fundraising since 1984, when he began arranging Netanyahu's broadcasts and meetings with American leaders. Netanyahu first met Mervyn Adelson at that time, and brought him into his inner circle along with Friedman and Ron Lauder. Friedman is a key leader of the Republican Jewish Coalition, founded and run by Detroit Purple Gang mobster Max Fisher, a longtime chairman of dope-running United Fruit. The Coalition finances and corrupts the U.S. Republican Party.

Friedman created a network of tax-exempt U.S. organizations tied to the Likud. The first entity, Israel Development Fund, began in 1989. According to Internal Revenue Service records, IDF gave money directly to the Likud, directly counter to the purpose of the U.S. tax exemption laws.

In *The Jewish Week* for Feb. 19, 1999, reporter Lawrence Cohler-Esses wrote: "Several former Netanyahu cronies say

the Israel Development Fund, which over six years raised about \$1.5 million, was of indirect help to Netanyahu. Another source claims that the fund helped finance Netanyahu's jaunts to the U.S. The fund did allocate several grants to youth programs, as it was originally set up to do; but only about half of its expenditures were for such programs. According to the fund's tax reports, it granted \$16,000 to 'Lichud'—evidently a distortion of Likud." Other donations include \$9,000 to "Shood Harabanim"—apparently a mutation of the name "Ichud Harabanim," a group of West Bank rabbis who have called on Israeli soldiers to refuse to obey orders if the Israel Defense Forces redeploy in the West Bank; \$13,000 to the settlers' journal *Nekuda*; another \$13,000 to "Gagner Aliyah," a contortion of "Gesher Aliyah"—a charitable organization supervised by Avigdor Lieberman, former director-general of the Prime Minister's bureau, a body later subject to criminal investigation.

Cohler-Esses obtained a list of IDF donors from 1989 through 1992, which included "[Irving] Moskowitz; New York businessman Joseph Mermelstein; Reuben Mattus, the late founder of Haagen Dazs ice cream, and his widow, Rose; and Manfred Lehmann, the late philanthropist and right-wing activist who defended Dr. Baruch Goldstein's murder of 29 Palestinians in Hebron in 1994. . . . In 1995 [tax reports] . . . Moskowitz's foundation [was reported as giving] 5,000 to IDF and 5,000 to the Likud party through Friedman. When questioned about this, Friedman, in the only brief interview he agreed to, said the listing of the political donation to Likud was 'a mistake.' Soon after the interview, Friedman filed an amendment to his Justice Department filing stating that the 1995 Moskowitz donation to Likud was, in fact, to the charity IDF."

Menachem Atzmon resigned as president of Friedman's IDF following his 1996 conviction for Israeli election campaign finance fraud. But his later U.S. activities would prove to be much more disturbing.

Atzmon and his business partner Ezra Harel are the majority owners (57%) of ICTS—International Consultants on Targeted Security—run by "former [Israeli] military commanding officers and veterans of government intelligence and security agencies," according to its website. In 1999, Atzmon's Netherlands-based firm took over management of security at Logan Airport in Boston, Massachusetts, through ICTS' subsidiary Huntleigh USA.

This convicted Likud criminal's firm was in charge of security at Logan Airport—inspecting passports and visas, searching cargo, screening passengers—when two airliners were hijacked from there on Sept. 11, 2001, and demolished the World Trade Center towers in New York.

Is it possible that Steven L. Friedman's exalted position in U.S. and Israeli politics lent influence to help accomplish the seemingly difficult task of vetting a man with Atzmon's past as the principal figure in security at Logan, and other American and European airports as well? (Atzmon's firm also advises the U.S. and other governments on airport security.)

Zionist Establishment Funds Likud

• **Ronald Lauder:** heir of his mother Estée Lauder's cosmetic billions, rightist ideologue, and leading Likud contributor and funding coordinator. Ronald Lauder is treasurer of the World Jewish Congress and a trustee of the Special Reserve Fund of the Anti-Defamation League (ADL) of B'nai B'rith. His Ronald S. Lauder Foundation, operating in the former East bloc, paid for the ADL to open an office in Vienna, Austria, where Lauder was U.S. Ambassador in the 1980s. One of the WJC and ADL's top priorities in Central and Eastern Europe is the protection of hedge fund operator George Soros. The Lauder Foundation works in tandem with Soros' Open Society Institute, which advocates legalization of all narcotics and supports for the Colombian FARC and other narco-terrorist agencies. After serving as U.S. Ambassador to Austria in the 1980s, Lauder personally became a major investor in privatized Eastern European properties.

Lauder was named (by Secretary of State Sir Lawrence Eagleburger, former president of Kissinger Associates) to head the Central European Development Corporation (CEDC), which was created under a Federal act to function as a kind of pig trough for those with influence around the diplomatic community. CEDC is a consortium that mingles U.S. Congress-appropriated monies with those from private businessmen. With offices in Berlin and Budapest, CEDC invests in privatized Eastern European businesses for a nickel on the dollar.

A cover story in the Jan. 29, 1996 issue of New York's *The Jewish Week* reported that Lauder was funding Benjamin Netanyahu's campaign for Prime Minister in that year. This created a scandal and crisis for Lauder, who was running for chairman of the "politically neutral" Council of Presidents of Major American Jewish Organizations (CPMAJO). Within the CPMAJO, 20-odd leaders who favored the Oslo Accords peace process decided to protest Lauder's nomination.

The report that had been put together by investigative reporters of *Jewish Week* and the Israeli daily *Ha'aretz*, suggested the "possible existence of flows of cash and indirect support from Lauder to Netanyahu's political activities." The article was bolstered by the staff-swapping between Lauder and Netanyahu, including the Prime Minister's loaning of his 1996 American campaign strategist, Arthur Finkelstein, who then served as Lauder's consultant during Lauder's failed 1989 run for the New York Mayor's office.

The 1996 article, and the 1999 *Jewish Week* article about the Philadelphia money laundering, both spotlighted Lauder's boss role with the rightist think-tank, von Hayek feudal-ist economics propaganda unit, and Likud campaign nest, the Shalem Center in Jerusalem.

Lauder was the Shalem Center's chairman, founder, and funder. Shalem's executive director and fundraiser Steven Schneier worked as an aide on Netanyahu's campaign, raising

money for the Likud. But Schneier was previously the paid full-time director of Philadelphia lawyer Steven Friedman and Menachem Atzmon's tax-exempt charity, the IDF. From 1990 to 1994, leading up to and immediately after Netanyahu's primary campaign, Schneier received a total of \$220,000 from the IDF.

Then in 1994, Ron Lauder contributed \$36,415 to Steven Friedman's other Philadelphia tax-exempt front, the Israel Research Foundation. In 1995 and 1996, Friedman's Schneier went on the payroll of Lauder's Shalem Center—where he worked for the Likud election campaign.

Both the IDF and the IRF tax-exempt charities were dissolved on the same day in 1997.

- **Mortimer Zuckerman:** real estate kingpin, media baron, promoter of Likud and war. Zuckerman owns *U.S. News & World Report* weekly magazine, and the *New York Daily News*. In his own *U.S. News* column, he agitates for war against Saudi Arabia and other targets of Sharon's rage. Zuckerman's Boston Properties firm owns nearly 150 expensive offices—including Citicorp Center, hotels, and industrial sites in Boston, Manhattan, San Francisco, and Washington.

Zuckerman is a director of "Friends of the Israeli Defense Forces."

A few years ago, the powerful media boss sought the honor of succeeding Ron Lauder as chairman of the Council of Presidents of Major American Jewish Organizations, to take over in 2001 when Lauder's term as chairman was to end. In Jewish organizational circles, this position is known familiarly as "King of the Jews." But Zuckerman ran into trouble. It seems his marriage to a non-Jew, art curator Marla Prather, was deemed non-kosher by the racists in the Council. This was disposed of: in Summer 2000, Zuckerman divorced Prather. He was advanced to the head of the line of candidates, and took over as CPMAJO chairman in July 2001.

- **Morton Klein:** president of the Zionist Organization of America (ZOA), a right-wing lobby and Likud promotion agency. ZOA campaigned actively against the peace policies of Israel's Rabin government, as part of the U.S.-based agitation which led to Rabin's assassination. Among Klein's financial backers are Moscowitz, and leading supporters of Meir Kahane and Kach Party terrorists.

In July 2001, U.S. intervention moved Israel to block a catastrophic religious provocation at Jerusalem's Temple Mount. The next day—July 30, 2001—Armageddonist "Evangelicals" and their right-wing Jewish Zionist allies converged on the White House. Klein and other participants in that secretive meeting later told *EIR* that the "end-timers" conveyed a chilling blackmail message to President Bush: Approve an all-out war on Palestinians by the Israeli regime, or your Evangelical Christian political supporters will desert you. They said, according to the participants, that there are about 70 million Evangelical Christians. If only 10% of them are solidly behind the extremists settlers' agenda, that is an enormous force that could swing the balance of U.S. political power and destroy the Bush Presidency.

Others at the White House that day, meeting Bush liaison Tim Goeglein, included representatives of Pat Robertson's Christian Broadcasting Network, the "International Christian Embassy in Jerusalem"; end-of-the-world sects seeking to rebuild Solomon's Temple; and a Jewish ally of Klein's. The same day, before delivering their blackmail message, the group met at a luncheon with Sharon's Ambassador David Ivry, to discuss what they would tell the Bush Administration.

- **Joe Marmelstein:** New York watch importer and big Likud donor. Marmelstein is affiliated with the end-times Ateret Cohanim, and with Jewish Defense League terrorist circles, according to sources.

Why did Netanyahu provoke Muslim horror and anger by opening the tunnel at the Temple Mount? The *Miami Herald* reported, "Sources in Netanyahu's Likud and former Labor government officials cite a political payoff to several key American campaign contributors, including Irving Moscowitz, one of the top bankrollers of Jewish settlements in the West Bank and Gaza Strip, American watch importer Joe Marmelstein and Canadian Mark Belzberg [who] pressured Netanyahu to open the tunnel."

- **Rose Mattus:** ice cream empress and funder of thugs in America and Israel. She and her late husband made a fortune from owning the Haagen Dazs ice cream company. A heavy contributor to the Likud, Rose Mattus was an early sponsor of Rabbi Meir Kahane, founder of the terrorist Jewish Defense League. She reportedly opposed Kahane's move to Israel, but is a leading sponsor of the memorialization of the genocide-promoting Kahane as a Jewish hero.

- **Aish HaTorah organization:** Likud money conduit and propaganda agency. Posing as an Orthodox Jewish religious group, Aish HaTorah is a sophisticated psychological center garnering major contributions for the Likud/extreme right apparatus. Among important donors are actor Kirk Douglas and talk show host Larry King. Aish HaTorah's headquarters is in East Jerusalem, and it has offices in New York and Los Angeles. According to the Israeli Labor Party's current General Secretary, Knesset (parliament) Member Ofir Pines-Paz, Aish HaTorah is suspected of acting as a secret channel illegally funding Netanyahu.

Aish HaTorah runs HonestReporting.com, a McCarthyite "Internet police" organization created to attack American critics of the Likud war policies. This operation mobilized hard and fast to kill the 2001 "Israeli art students" espionage scandal related to the Sept. 11 attacks, after that story was broken by *EIR* and by Fox News in December 2001.

One aspect of the Aish HaTorah money flow is the group's Jerusalem Fund, created in 1992 in conjunction with Jerusalem Mayor Ehud Olmert. It is part of Olmert's complex of dirty-money Likud front organizations, including his own New Jerusalem Fund, which raises political cash from Armageddon-seeking Christians in America.

—Research assistance was provided by Scott Thompson, Steven Meyer and John Hoefle.

Venezuela's Collapse Is No 'Local Affair'

by Cynthia R. Rush

Almost all participants and observers in Venezuela's ongoing crisis—the general strike begun by opponents of President Hugo Chávez on Dec. 2 has shut down the oil-based economy and unleashed political violence and chaos—argue that it is caused by something unique to that country, and therefore requires a local solution.

The opposition to Chávez wants a non-binding referendum on Feb. 2 to force early elections and oust Chávez from power, while the mentally unbalanced President vows that he will never give in to the “fascist oligarchs.” Instead, he has proclaimed himself “oil commander” in charge of restarting the paralyzed oil industry. On Jan. 14, he provocatively and illegally ordered National Guard troops to seize weapons from the Caracas Metropolitan Police, a center of opposition ferment.

Weeks of mediation by the Secretary General of the Organization of American States, César Gaviria, have yielded no results. Former U.S. President Jimmy Carter will return to Venezuela on Jan. 20 to assist Gaviria, while the U.S. State Department, as well as the new Brazilian President, Lula da Silva, have offered separate initiatives aimed at averting the civil war that will almost certainly erupt should the crisis go on unresolved much longer. On Jan. 16, Chávez met in New York with United Nations Secretary General Kofi Annan.



Venezuelan President Hugo Chávez: the problem he poses is worsening; can it be solved without civil war?

The problem is that none of these forces has addressed the reality that Venezuela's crisis is driven, not by some mechanism unique to that country, but by the breakdown of the “post-industrial” order globally. This is the cause of Argentina's unprecedented collapse, and guarantees the disintegration of every other Ibero-American nation-state, unless U.S. Democratic Presidential pre-candidate Lyndon LaRouche's proposals for a New Bretton Woods and Eurasian Land-Bridge are adopted.

Absent this approach, Venezuela's crisis is reduced to a “left” vs. “right” conflict, in which Chávez's Jacobin narco-terrorist backers confront the Cuban-exile-dominated right-wing opposition (which gets input from Washington's chicken-hawk faction as well). Not only does this ensure Venezuela's destruction, but, should the “left-right” dynamic spread to the rest of Ibero-America, as some Anglo-American assets are attempting to do, it could turn an explosive situation into open warfare.

National Breakdown

Inside the country, the situation is desperate. Chávez claims that he has restarted the paralyzed oil industry, and is producing 800,000 barrels per day—normal production is 3.2 million bpd—but industry experts as well as leaders of the striking oilworkers dispute this. His plan to “restructure” the state oil firm PDVSA—he has already fired 2,000 middle-level managers who sympathize with the opposition—is an extremely risky move, which could permanently affect production capacity.

The longer production is shut down, the more difficult it is to restart, and to do so with a smaller and less skilled workforce, including inexperienced military recruits sent in as replacements for strikers, is dangerous.

Venezuela is the world's fifth-largest oil exporter. The 81% drop in December exports, compared to previous months, has left a gaping hole in its revenue; this is dismantling an economy that was in deep crisis even before Dec. 2. Foreign banking analysts are predicting a first-quarter GDP collapse of at least 25%.

January's wage payments to state employees are jeopardized, and food shortages are such that Chávez ordered the military to prepare to seize food supplies from silos, storehouses, and warehouses. None of that bothers Wall Street bankers—they're too panicked over the real possibility that Venezuela will default on its \$22.4 billion foreign debt.

Energy Minister Rafael Ramírez estimates that \$4 billion in revenue was lost in December because of the strike. The Venezuelan-American Chamber of Commerce projects that the government will run out of revenues by mid-February, and if oil revenues haven't recovered by then, will face fiscal collapse. The head of the Venezuelan Federation of Industries warns that if the strike continues into February, more than 25,000 companies will go under in the next six months, leaving 200,000 people without jobs.

Economist Issues 'Final Call to Heroism'

The following document by Philippine economist Antonio A.S. Valdes, co-founder of the Philippine LaRouche Society, was released at a dramatic moment of crisis in the Philippines. The economy is verging on collapse, and the political situation is so tense that President Gloria Macapagal-Arroyo announced on Dec. 30 that she will not run for re-election, calling for a viable coalition of some sort to be created with the capacity to save the nation from chaos. Valdes' document, putting forward not a local but an international solution, has been distributed to political, business, and social leaders across the Philippines, and was published in large part in the Manila daily Malaya on Jan. 9-10, in the daily column of journalist Rod Dula.

Mr. Dula titled the article, "The Truths That Hurt," identifying Antonio Valdes as a "nationalist economist, President of the Philippine LaRouche Society/Movement for a New Bretton Woods." He added, "The article forthrightly debunks what Tribune columnist Herman Tiu Laurel [also a co-founder of the Philippines LaRouche Society—ed.] has tagged, 'The Three Kinks' of our time, namely liberalization, deregulation, and globalization. It explains in the most cogent terms why, economically as well as politically, we are where we are, and why the war the U.S. and its allies are poised to wage against Iraq can only make everything far worse for the less developed nations of the southern hemisphere. Accordingly, I have decided to yield this space and perhaps even the next to its more salient portions. Truly the truth hurts, and these certainly will."

It does not take genius to realize that all the talk about recovery under this present system of false illusions are crude attempts to mass deception akin to Goebbels' methods.

Our country's only chance to recover is to join in the world-wide call for a change in the world monetary and financial system, in association with Malaysia, Italy, China, Russia, and patriots of Argentina, Brazil, Mexico.

Despite disinformation efforts by advocates of speculative casino-type investments, the truth of the matter is that economies all over the world, including and especially the United States of America, are hopelessly disintegrating; thus their option to wage war.

In mid-1997, in response to a largely hidden derivatives crisis, the big Anglo-American financial institutions, and the likes of speculator George Soros' Quantum Fund, launched a

financial operation against the nations of Southeast Asia. This looting binge, known in the West as the "Asian crisis," was breathtaking both in its criminality and in its stupidity. By knocking out the fastest-growing region of the world's economy, the bankers also knocked out a chunk of Corporate America's foreign-trade profits.

The financiers continued their rampage into 1998 with a renewed assault on Russia. In the autumn of 1998, Russia struck back with a debt moratorium and devaluation, sending the speculators into panic. The global financial markets seized up, as investors fled to the relative safety of U.S. and German government bonds, resulting in the public collapse of the giant Long-Term Capital Management hedge fund and the silent collapse of more prominent institutions. Western governments and central banks responded with what became known as the "wall of money," flooding the market with liquidity and encouraging whatever bookkeeping tricks were necessary to restore the appearance of solvency and thus public confidence. . . . The hype-bubble called the Internet revolution . . . was used to cover the eyes of the world population, fooling them into thinking that the world economy had entered into a new innovative and prosperous era.

That hood has been lifted, revealing the stark truth of the present state of affairs we find ourselves in today.

The United States: No Milk or Honey

The true epicenter of the global systemic crash is the United States. . . . Official U.S. unemployment rose from 8.209 million workers in October, to 8.508 million in November, an increase of 299,000 workers, the Department of Labor Bureau of Labor Statistics (BLS) reported Dec. 6. The official unemployment rate also jumped from 5.7% in October to 6.0% in November. This is the highest official rate in eight years. In reality, *EIR* news service has determined that real unemployment is twice what the BLS has told the public. Furthermore, unemployment continues to strike the manufacturing sector. November marked the 28th straight month in which the U.S. manufacturing workforce declined. During November, the manufacturing sector eliminated 45,000 jobs [and 65,000 more in December]. Since July 2000, the U.S. has eliminated 1.992 million manufacturing jobs, of which 1.583 million were production manufacturing workers.

The United States is poised to run a fiscal year 2003 budget deficit of between \$400 and \$500 billion. The deficit is caused primarily by a collapsing level of revenue: In FY 2002, the United States experienced the largest single yearly collapse in individual income tax revenues—in both absolute amount and in percentage—in 70 years. Thus far, for FY 2003, this sharp revenue drop continues.

Between July 2000 and August 2002, the number of Americans relying on Federal food stamps increased by 2.8 million. . . .

During the period starting 1997 to the present, the United States essentially transformed itself into a net consumer, from

a net producer. It became what Lyndon LaRouche called the “Importer of Last Resort,” buying up all of the world’s goods, hoping to keep the world economy afloat even just for a while longer. Put all of these elements together, and considering the looming explosion of the U.S. real estate bubble, and it becomes clear: The United States, by any honest accounting standards, is bankrupt!

The meltdown is by no means confined to U.S. shores. Like their American counterparts, Europe’s former “model” high-tech firms, based on information technology and privatized infrastructure, are now crumbling beneath excessive debt, the global tech meltdown, and “shareholder value” stupidity, if not outright fraud.

Much as the experts continue to insist otherwise, the present world monetary system is finished. We are now at a point that the existing definitions, axioms, and postulates of the system which has increasingly ruled the entire world for the past 35 years, have now demonstrated themselves to be a catastrophic failure. Already in its death throes, the system created by the financial oligarchs will not last in its present form, and is expected to collapse within a few months.

The world’s stock markets, foolishly thought to be the perfect barometer of wealth, are now back to the levels of 1997 and early 1998, but supporting much higher levels of debt and other financial aggregates, making the situation desperately critical. We can expect more such obituary notices in the coming months, as multinationals bigger than Enron and WorldCom announce their demise. . . .

The Crisis in the Philippines

Dire economic conditions in the Philippines need no reiteration. National debt, foreign and domestic, are all at historical highs. Debt service has been deleted from budget presentations because it is no longer subject to debate. Unemployment is at staggering levels; not including those forced to seek employment outside the country. Spiraling costs of basic services are provided by private companies for profits, upon the abdication of government’s role.

The denial of economic reality is paving the way for an Argentina-style economic crisis to come to the Philippines—the result of years of looting by the International Monetary Fund.

The Philippines’ public-sector deficit hit \$3.40 billion for the first ten months of 2002, while the target for the entire year was only \$2.45 billion. . . . In August 2002, the Philippine



A meeting held at the Balucan State University in July 2001 by the LaRouche Society of the Philippines. Inset: economist and LaRouche Society co-founder Antonio A.S. Valdes.

government announced that foreign borrowing accounted for one-third of total government financing. For 2003, by some estimates, 85% of total government financing may come from foreign lenders. The 1997-98 crisis caused the debt load of the Philippines, measured in dollars, to nearly double—but due to the devaluation, by half, of the peso, the debt has actually quadrupled when measured in pesos!

Over the past two years, half a million Filipinos joined the ranks of the unemployed, swelling the number to nearly 5 million. If we include the underemployed, the number of Filipinos looking for gainful employment as of April 2002 stood at 9.5 million, out of a labor force of 35 million Filipinos over 15 years of age.

Perhaps the most shocking fact, is that the current unemployment situation comes despite the departure every day of at least 2,000 Filipinos, seeking employment overseas. The Middle East alone hosts 1.3 million Filipino workers. Overseas workers pump close to \$10 billion annually into the Philippine economy, a major chunk of which comes from those employed in the Arab countries. . . . A war in the Middle East could spell disaster for the Philippine economy, because of its dependence on the money the workers send back home.

The state of the banking system reflects the state of the Philippine economy. Philippine banks have the worst returns among the five major Southeast Asian economies (the other four being Thailand, Malaysia, Singapore, and Indonesia). Philippine banks reported an average return on assets of 0.1%, or one-fifth the regional average of 0.5%. . . . The Philippines also has Southeast Asia’s worst acknowledged level of non-performing loans—at 18.4% of total outstanding loans as of

September 2002. In the second quarter of 2002, the Philippine Central Bank posted a loss of over \$60 million. Revenues slipped as interest income from international reserves declined by \$750 million, or 51.2%.

But the ongoing systemic collapse has taken a much more extreme toll. It has hijacked the very future of our republic. As more money is taken out of nations' education, health, and social services allocations, to feed the rapacious bubble through debt service, our children, our future, are left essentially to fend for themselves, as mandated by the laws of the jungle, otherwise known as the free markets. "Let the weak fall by the wayside," as former President Ramos used to say. And yet, our government insists on these same insane policies, such as the establishment of a wholesale electricity spot market, betraying both the naiveté and utter disregard for the general welfare of present dispensation.

Clash of Civilizations

Under these present financial-monetary conditions the outbreak of a new kind of global warfare . . . is likely. Today, the threat of thermonuclear war is more real than at any other point in human history. Just as in the 1930s and in the 1940s, a world financial crisis led one country after the other on the road to war. The military-utopian doctrine known as the Clash of Civilizations is already being played out in gruesome detail in the Middle East. The thesis, written by Samuel Huntington, assumes that all major religions will ultimately lead to conflict with one another, [and] has become the framework for a strategy of perpetual warfare in all areas of the world.

Already, our own naive leadership has proven herself willing to join this "zarzuela" of fighting terrorism, by being terrorists themselves; a futile exercise in which the only benefit derived is that our soldiers got to test out night-vision goggles, and that U.S. soldiers made prostitutes of our women.

It doesn't take genius to implement measures which would give the Filipino people their best chance at survival. The Filipino, whether he is a leader of a country, or a leader of his family, must answer a call to heroism by facing squarely the immoral impositions of the true enemy of humanity. Trusting the people is the real democracy. . . .

We face a system which is collapsing under the weight of its own delusions, confusing real wealth with a virtual wealth which never existed, except in the *sui generis* accounting of the capital markets, which today evaporates in the light of day. Leaders of this nation must face up to this fact. Unless we, together with other nations, call for a bankruptcy reorganization of the entire world financial system, our country and the rest of civilization as we know it will enter into a new dark age.

Imago Viva Dei

The solutions are evident, even as the will to do it is not. Our leaders are afraid. They fear the power of the IMF and its

surrogates in the United States, Great Britain, and others, including those in our own country. The rules have been set by nameless individuals and we have been constrained to seek our survival within those same rules, or conditionalities. But there are no solutions that can be found within these rules. The solution lies outside the conditions set upon us by the protectors of this present system. The solution lies in the immediate replacement of the failed system, with one that has been proven to work.

We must simply recognize that these global financial "experts" and those that blindly followed them have made a terrible mistake since 1966. We must acknowledge the fact that under the Bretton Woods system as conceived by U.S. President Franklin Delano Roosevelt, world economic performance was significantly better than today's deteriorating circumstances.

The fixed exchange rate was enforced and foreign currency transactions were regulated; protectionism was practiced in accordance with bilateral agreements based on equitable terms; sovereignty of nation-states was a primary consideration. Much as these same experts rabidly insist, the United States did not recover from the depression in the 1930s by practicing British Free Trade. It recovered through Roosevelt's re-instituting protectionist policies which developed the physical economy, following the ideas of Alexander Hamilton—the first Treasury Secretary of the United States, and an avowed adversary of Adam Smith, who had rationalized that slaves are mere objects of trade.

But true peace cannot be achieved solely through political means. Therefore, we must, along with other nations, initiate a "Dialogue of Civilizations," drawing from the examples of Cardinal Nicolaus of Cusa's "On the Peace of Faith." Like the Peace of Westphalia, which ended the European religious wars of the 16th and 17th Centuries. . . . We must, together with leaders of other nations, and simultaneous with the reorganization of the world financial system, enter into such dialogues of cultures, with the intent of reviving the best traditions of every culture as a starting point. This is the only true way to a durable peace. This is what truly makes man created in the image and likeness of God.

History abounds with noble examples, those who had chosen to take a stand for mankind, and who had won. Those who had championed an economic and financial system that puts the system subservient to man, and not the other way around. Those whose ideas will remain universal long after they have passed from this lifetime. Gottfried Leibniz, Cardinal Nicolaus of Cusa, Alexander Hamilton, Henry and Mathew Carey, Friedrich List, and today's Lyndon H. LaRouche are but a few of these examples. . . .

As with the 15th-Century Renaissance, let us usher in a new age of true development for mankind. Let us put to rest this failed system and implement a system dedicated to the welfare and progress of all human beings. . . . And, finally, let this be the last true revolution Filipinos and other nations will have to fight, for true freedom.

A LaRouche-Led Revolt Against The Perpetual-War Party

by Jeffrey Steinberg

While the ultimate decision on war or peace in Iraq is yet to be made by President Bush, there are growing indications that the American public, as well as key U.S. institutions, are joining the fight launched early last year by Lyndon LaRouche, to defeat the neo-conservative cabal which is increasingly desperate to steer the Bush Administration to war and "Empire."

Dramatic evidence of growing opposition to the "chickenhawk" agenda was a full-page ad in the Jan. 13 *Wall Street Journal*, called "A Republican Dissent on Iraq." The ad was taken out by a group of 500 corporate executives, all "card-carrying" Republican Party activists, in the name of Business Leaders for Sensible Priorities. The group boasts a military advisory committee stacked with retired flag grade officers, including Vice Adm. John J. Shanahan, former CIA Director Adm. Stansfield Turner, former Reagan Administration Assistant Secretary of Defense Lawrence Korb, Rear Adm. Eugene Carroll, and Col. David Hackworth (USA-ret.), America's most decorated living combat veteran.

The ad began, "Let's be clear: We supported the Gulf War. We supported our intervention in Afghanistan. We accept the logic of a just war. But Mr. President, your war on Iraq does not pass the test. It is not a just war. The candidate we supported in 2000 promised a more humble nation in our dealings with the world. We gave him our votes and our campaign contributions. That candidate was you. *We feel betrayed. We want our money back. We want our country back*" (emphasis in the original). The ad not only opposed American casualties and Iraqi suffering after two decades of sanctions and bombing. It directly challenged the logic of Samuel Huntington's Clash of Civilizations, warning, "Among the 1 billion Muslims in the world there is now a steady trickle of recruits going to Al-Qaeda. You will turn the trickle into a torrent. A billion

bitter enemies will rise out of this war." And on the issue of empire: "Our jaws drop when we read that you may decide we have to occupy Iraq for years, that the next ruler of Iraq may be . . . an American general! Is there anyone in this country who thinks that will work? Your odds of success are infinitesimal!" The Republicans concluded, "You are waltzing blindfolded into what may well be a catastrophe. Pride goeth before a fall. Show the humility and compassion that led us to elect you. War with Iraq is not inevitable. Now is the time to stop it."

American Angst

The sense of astonishment at the perversity of the war party in the Bush Administration is also beginning to sink into the psyche of the population at large. After more than 10 million leaflets and "crisis pamphlets" have been circulated in the United States since the Spring of 2002 by the LaRouche in 2004 campaign, it is not surprising that there is a growing anti-war mood in the country, shaped by the impact of the economic collapse, and the "credibility" gap rapidly arising over the Bush Administration's disastrous economic stewardship.

On Jan. 15, the *Washington Post* published a front-page story highlighting the growing American angst, beginning, "A solid majority of Americans consistently tell pollsters that they favor attacking Iraq to topple President Saddam Hussein. But beneath that bedrock of support lies a deep sense of anxiety." The *Post* article, based in part on a recent *Washington Post*/ABC News nationwide poll, shows that while 60% of those surveyed support an Iraq war, the support falls sharply to 42% when the war involves American ground troops, and crashes to a mere 30% when the issue of possible American casualties is introduced. Americans may go along with a

Nintendo game of “catch Saddam,” but they shrink at the thought of real combat, with boots on the ground and daily body bags being flown home.

Above all else, the *Post* survey revealed a deep fear, among Americans in every part of the country, and at every socio-economic scale, about the collapsing economy. “To many Americans,” the *Post* reported, “one crisis at a time seems manageable. But pile on the worries, and the mind starts to race. The video image of a hospital ship sailing from Baltimore’s harbor starts a conversation about global unrest and nuclear threats in Iraq and North Korea, which leads to a gripe session about the cost of sending troops to Iraq, which circles back to the ailing U.S. stock market. And always in the background are worries about the possibility of another massive terrorist attack.” One Decatur, Georgia man summarized the national sentiment, telling the *Post* interviewer, “The economy is in terrible shape, and it’s definitely going to get worse if we go to war. There will be a ripple effect—gas and oil prices will go higher, so homeowners will have to pay more, and landlords will have to charge more rent to cover heating costs.” A second man, a World War II and Korean War veteran, said, “With the state of the country’s finances and economy, we do not need that expense [of an Iraq war]. I think we are destined for a very stark future.”

New York Times columnist Maureen Dowd took up the same theme the same day, insightfully writing that “George W. Bush designed his entire political career and Presidency to make sure he would never face this moment. . . . For the first time since 9/11, Mr. Bush’s ratings have slipped below 60 percent in a new USA Today/CNN Gallup poll that reflects growing unease with his approach on the economy and taxes, domestic policy and international threats.” Dowd noted that both G.W. and White House political svengali Karl Rove are now facing the nightmare prospect of a repeat of “Poppy’s” 1992 defeat by “voters who thought he was aloof from their economic suffering, overly consumed with foreign affairs and insulated by an inner circle of rich white patricians.”

Neo-Con/Fundi Alliance Under Attack

The clearest evidence of LaRouche’s impact within segments of the Democratic Party surfaced on Jan. 14, at a Washington event co-sponsored by the New America Foundation and *Atlantic Monthly*. The meeting unveiled a special January/February 2003 edition of the magazine, focused on “The Real State of the Union,” and a book by New America Foundation senior fellow Michael Lind, *Made in Texas—George W. Bush and the Southern Takeover of American Politics*, published by Basic Books.

The Lind book offers a devastating exposé of the 25-year alliance between the neo-conservative Zionist liberal imperialists, and a Southern-based right-wing Christian fundamentalist movement, which has become the dominant political and financial base of support for Israel’s Likud party, inside the United States. In one particularly powerful chapter, titled

“Armageddon,” Lind picks up on every major theme detailed in the series of *EIR* offprints, which circulated throughout the Summer and Autumn of 2002 in tens of thousands of copies inside the Washington Beltway.

Lind, borrowing a leaf from the earlier *EIR* studies, tore apart the “chicken-hawks” inside the Bush Administration by name—Paul Wolfowitz, Doug Feith, David Wurmser, Richard Perle—and documented their ties to the Israeli government and their early 1990s promotion of the doctrines of American hegemonism and pre-emptive warfare, that have become the buzzwords of the present Administration.

At the Jan. 14 forum, both Lind and *Atlantic Monthly* senior editor James Fallows conceded, to questioning from an *EIR* correspondent, that of all the candidates for the Democratic Presidential nomination, only Lyndon LaRouche is promoting the American System ideas of Alexander Hamilton, Friedrich List, and Franklin Roosevelt’s New Deal. The “Real State of the Union” survey which they promoted from the podium, certainly presented a fairly accurate snapshot of an America facing the biggest wealth-gap since the start of FDR’s New Deal, the most imbalanced health care delivery system in the advanced sector, the highest rate of incarceration of almost any nation on the earth, the biggest consumer bubble and the lowest household savings rate of any nation in history, growing economic racism, a collapsed manufacturing sector, and a breakdown of the basic family structure, due to the fact that few households can survive on one paycheck.

The LaRouche Factor

The very idea of a “Real State of the Union” echoes LaRouche’s announcement, late last year, that he would deliver his own State of the Union address on the afternoon of Jan. 28, 2003. In his Jan. 1 message, previewing his international webcast assessment of the Bush Administration at mid-term, LaRouche identified the month of January 2003 as crunch-time, with vital decisions due to be made by the end of the month on war or peace in the Persian Gulf, the future survival of Israel, and—above all else—the fate of the U.S. and world economy.

While the word circulating around the Democratic Party headquarters is that Bush should be allowed to drown in his own insane economic and monetary policies, statesman LaRouche has vowed to pave the way to his own inauguration in January 2005, by helping President Bush to set the country and the world back on a course of sane economic policy, modeled on Franklin Roosevelt’s New Deal and Bretton Woods System.

At 1:00 p.m. Washington time on Jan. 28, all eyes and ears will be on LaRouche’s webcast. That includes those of President Bush, who will be delivering his own State of the Union address seven hours later, knowing that his words will be held up to the standard set by his Democratic challenger and potential greatest asset.

Gov. Ryan Deals Mortal Blow to Death Penalty

Illinois Gov. George Ryan's bold action on Jan. 11, commuting to life imprisonment the sentences of all 167 inmates on the state prison's death row, was intensely controversial. After reviewing every single case and meeting with the families of victims and of the condemned, Ryan concluded that four of the inmates awaiting execution were innocent, and pardoned them. His blanket commutation has been intensely criticized, but it is "likely to lead the nation toward a similar conclusion," to quote one editorial. The following are extensive excerpts from his speech announcing the decision, at Northwestern University Law School in Chicago. Subheads have been added.

Four years ago I was sworn in as the 39th governor of Illinois. . . . That's when I was a firm believer in the American system of justice and the death penalty. I believed that the ultimate penalty for the taking of a life was administered in a just and fair manner. Today, three days before I end my term as governor, I stand before you to explain my frustrations and deep concerns about both the administration and the penalty of death. . . .

I want to share a story with you. I grew up in Kankakee which even today is still a small Midwestern town, a place where people tend to know each other. Steve Small was a neighbor. I watched him grow up. He would baby-sit my young children—which was not for the faint of heart since Lura Lynn and I had six children, five of them under the age of 3. He was a bright young man who helped run the family business. He got married and he and his wife had three children of their own. Lura Lynn was especially close to him and his family. We took comfort in knowing he was there for us and we for him. One September midnight he received a call at his home. There had been a break-in at the nearby house he was renovating. But as he left his house, he was seized at gunpoint by kidnappers. His captors buried him alive in a shallow hole. He suffocated to death before police could find him. His killer led investigators to where Steve's body was buried. The killer, Danny Edward, was also from my hometown. He now sits on death row. I also know his family. I share this story with you so that you know I do not come to this as a neophyte without having experienced a small bit of the bitter pill the survivors of murder must swallow. . . .

I never intended to be an activist on this issue. I watched in surprise as freed death row inmate Anthony Porter was released from jail. A free man, he ran into the arms of North-

western University Prof. Dave Protes, who poured his heart and soul into proving Porter's innocence with his journalism students. He was 48 hours away from being wheeled into the execution chamber where the state would kill him. It would all be so antiseptic and most of us would not have even paused—except that Anthony Porter was innocent of the double murder for which he had been condemned to die.

After Mr. Porter's case there was the report by *Chicago Tribune* reporters Steve Mills and Ken Armstrong documenting the systemic failures of our capital punishment system. Half of the nearly 300 capital cases in Illinois had been reversed for a new trial or re-sentencing. Nearly half! Thirty-three of the death row inmates were represented at trial by an attorney who had later been disbarred or at some point suspended from practicing law. Of the more than 160 death row inmates, 35 were African-American defendants who had been convicted or condemned to die by all-white juries. More than two-thirds of the inmates on death row were African American. Forty-six inmates were convicted on the basis of testimony from jailhouse informants.

I can recall looking at these cases and the information from the Mills/Armstrong series and asking my staff: How does that happen? How in God's name does that happen? I'm not a lawyer, so somebody explain it to me. But no one could. Not to this day. Then over the next few months, there were three more exonerated men, freed because their sentence hinged on a jailhouse informant or new DNA technology proved beyond a shadow of doubt their innocence. We then had the dubious distinction of exonerating more men than we had executed. Thirteen men found innocent, 12 executed. As I reported yesterday, there is not a doubt in my mind that the number of innocent men freed from our death row stands at 17, with the pardons of Aaron Patterson, Madison Hobley, Stanley Howard, and Leroy Orange. That is an absolute embarrassment. Seventeen exonerated death row inmates is nothing short of a catastrophic failure. But the 13, now 17 men, is just the beginning of our sad arithmetic in prosecuting murder cases.

Justice and Fairness

During the time we have had capital punishment in Illinois, there were at least 33 other people wrongly convicted on murder charges and exonerated. Since we reinstated the death penalty there are also 93 people—93—where our criminal justice system imposed the most severe sanction and later rescinded the sentence or even released them from custody because they were innocent. How many more cases of wrongful conviction have to occur before we can all agree that the system is broken? Throughout this process, I have heard many different points of view expressed. I have had the opportunity to review all of the cases involving the inmates on death row. I have conducted private group meetings, one in Springfield and one in Chicago, with the surviving family members of homicide victims. Everyone in the room who wanted to speak

had the opportunity to do so. Some wanted to express their grief, others wanted to express their anger. I took it all in. My commission and my staff had been reviewing each and every case for three years. But I redoubled my effort to review each case personally in order to respond to the concerns of prosecutors and victims' families. This individual review also naturally resulted in a collective examination of our entire death penalty system.

I also had a meeting with a group of people who are less often heard from, and who are not as popular with the media. The family members of death row inmates have a special challenge to face. I spent an afternoon with those family members at a Catholic church here in Chicago. At that meeting, I heard a different kind of pain expressed. Many of these families live with the twin pain of knowing not only that, in some cases, their family member may have been responsible for inflicting a terrible trauma on another family; but also the pain of knowing that society has called for another killing. These parents, siblings and children are not to blame for the crime committed, yet these innocents stand to have their loved ones killed by the state. As Mr. Mandela told me, they are also branded and scarred for life because of the awful crime committed by their family member. Others were even more tormented, by the fact that their loved one was another victim—that they were truly innocent of the crime for which they were sentenced to die.

It was at this meeting that I looked into the face of Claude Lee, the father of Eric Lee, who was convicted of killing Kankakee police officer Anthony Samfay a few years ago. It was a traumatic moment, once again, for my hometown. A brave officer, part of that thin blue line that protects each of us, was struck down by wanton violence. If you will kill a police officer, you have absolutely no respect for the laws of man or God. I've known the Lee family for a number of years. There does not appear to be much question that Eric was guilty of killing the officer. However, I can say now after our review, there is also not much question that Eric is seriously ill, with a history of treatment for mental illness going back a number of years. The crime he committed was a terrible one—killing a police officer. Society demands that the highest penalty be paid. But I had to ask myself—could I send another man's son to death under the deeply flawed system of capital punishment we have in Illinois? A troubled young man, with a history of mental illness? Could I rely on the system of justice we have in Illinois not to make another horrible mistake? Could I rely on a fair sentencing? . . .

Once I studied, once I pondered what had become of our justice system, I came to care above all about fairness. Fairness is fundamental to the American system of justice and our way of life. The facts I have seen in reviewing each and every one of these cases raised questions not only about the innocence of people on death row, but about the fairness of the death penalty system as a whole. If the system was making so many errors in determining whether someone was guilty in

the first place, how fairly and accurately was it determining which guilty defendants deserved to live and which deserved to die? What effect was race having? What effect was poverty having?

And in almost every one of the exonerated 17, we not only have breakdowns in the system with police, prosecutors, and judges, we have terrible cases of shabby defense lawyers. There is just no way to sugarcoat it. There are defense attorneys that did not consult with their clients, did not investigate the case and were completely unqualified to handle complex death penalty cases. They often didn't put much effort into fighting a death sentence. If your life is on the line, your lawyer ought to be fighting for you. As I have said before, there is more than enough blame to go around.

Illinois Statute May Be Unconstitutional

I had more questions. In Illinois, I have learned, we have 102 decision-makers. Each of them are politically elected, each beholden to the demands of their community and, in some cases, to the media or especially vocal victims' families. In cases that have the attention of the media and the public, are decisions to seek the death penalty more likely to occur? What standards are these prosecutors using? Some people have assailed my power to commute sentences, a power that literally hundreds of legal scholars from across the country have defended. But prosecutors in Illinois have the ultimate commutation power, a power that is exercised every day. They decide who will be subject to the death penalty, who will get a plea deal or even who may get a complete pass on prosecution. By what objective standards do they make these decisions? We do not know, they are not public.

If you look at the cases, as I have done—both individually and collectively—a killing with the same circumstances might get 40 years in one county and death in another county. I have also seen co-defendants who are equally or even more culpable, get sentenced to a term of years, while another, less culpable defendant ends up on death row. In my case-by-case review, I found three people that fell into this category, Mario Flores, Montell Johnson, and William Franklin. Today I have commuted their sentences to a term of 40 years, to bring their sentences into line with their co-defendants and to reflect the other extraordinary circumstances of these cases. . . .

We have come very close to having our state Supreme Court rule our death penalty statute—the one that I helped enact in 1977—unconstitutional. Former state Supreme Court Justice Seymour Simon wrote to me that it was only happenstance that our statute was not struck down by the state's high court. When he joined the bench in 1980, three other justices had already said Illinois' death penalty was unconstitutional. But they got cold feet when a case came along to revisit the question. One judge wrote that he wanted to wait and see if the Supreme Court of the United States would rule on the constitutionality of the new Illinois law. Another said precedent required him to follow the old state Supreme Court ruling

with which he disagreed. Even a pharmacist knows that doesn't make sense. We wouldn't have a death penalty today, and we all wouldn't be struggling with this issue, if those votes had been different. How arbitrary. . . .

'Eye for an Eye Leaves the World Blind'

I was struck by the anger of the families of murder victims. To a family, they talked about closure. They pleaded with me to allow the state to kill an inmate in its name to provide the families with closure. But is that the purpose of capital punishment? Is it to soothe the families? And is that truly what the families experience? I cannot imagine losing a family member to murder. Nor can I imagine spending every waking day for 20 years with a single-minded focus to execute the killer.

The system of death in Illinois is so unsure that it is not unusual for cases to take 20 years before they are resolved. And thank God. If it had moved any faster, then Anthony Porter, the Ford Heights Four, Ronald Jones, Madison Hobley and the other innocent men we've exonerated might be dead and buried. But it is cruel and unusual punishment for family members to go through this pain, this legal limbo for 20 years. Perhaps it would be less cruel if we sentenced the killers to Tamms [Correctional Center] to life, and used our resources to better serve victims.

My heart ached when I heard one grandmother who lost children in an arson fire. She said she could not afford proper grave markers for her grandchildren who died. Why can't the state help families provide a proper burial? Another crime victim came to our family meetings. He believes an inmate sent to death row for another crime also shot and paralyzed him. The inmate, he says, gets free health care while the victim is struggling to pay his substantial medical bills and, as a result, he has forgone getting proper medical care to alleviate the physical pain he endures. What kind of victim's services are we providing? Are all of our resources geared toward providing this notion of closure by execution instead of tending to the physical and social service needs of victim families? And what kind of values are we instilling in these wounded families and in the young people?

As Gandhi said, an eye for an eye only leaves the whole world blind. President Lincoln often talked of binding up wounds as he sought to preserve the Union. "We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection."

This Summer, a United States District Court judge held the Federal death penalty was unconstitutional and noted that with the number of recent exonerations based on DNA and new scientific technology we undoubtedly executed innocent people before this technology emerged.

As I prepare to leave office, I had to ask myself whether I could really live with the prospect of knowing that I had the opportunity to act, but that I failed to do so because I might be

criticized. Could I take the chance that our capital punishment system might be reformed, that wrongful convictions might not occur, that enterprising journalism students might free more men from death row?

A system that's so fragile that it depends on young journalism students is seriously flawed.

"There is no honorable way to kill, no gentle way to destroy. There is nothing good in war. Except its ending." That's what Abraham Lincoln said about the bloody war between the states. It was a war fought to end the sorriest chapter in American history—the institution of slavery. While we are not in a civil war now, we are facing what is shaping up to be one of the great civil rights struggles of our time. . . .

'Mercy Bears Richer Fruits. . .'

One of the few disappointments of my legislative and executive career is that the General Assembly failed to work with me to reform our deeply flawed system. I don't know why legislators could not heed the rising voices of reform. I don't know how many more systemic flaws we needed to uncover before they would be spurred to action. Three times I proposed reforming the system with a package that would restrict the use of jailhouse snitches, create a statewide panel to determine death eligible cases, and reduce the number of crimes eligible for death. These reforms would not have created a perfect system, but they would have dramatically reduced the chance for error in the administration of the ultimate penalty.

Our systemic case-by-case review has found more cases of innocent men wrongfully sentenced to death row. Because our three-year study has found only more questions about the fairness of the sentencing; because of the spectacular failure to reform the system; because we have seen justice delayed for countless death row inmates with potentially meritorious claims; because the Illinois death penalty system is arbitrary and capricious—and therefore immoral—I no longer shall tinker with the machinery of death. I cannot say it as eloquently than [U.S. Supreme Court] Justice [Robert] Blackmun. The Legislature couldn't reform it. Lawmakers won't repeal it. But I will not stand for it. I must act. Our capital system is haunted by the demon of error—error in determining guilt, and error in determining who among the guilty deserves to die.

Because of all of these reasons today I am commuting the sentences of all death row inmates. . . .

As I said when I declared the moratorium, it is time for a rational discussion on the death penalty. While our experience in Illinois has indeed sparked a debate, we have fallen short of a rational discussion. Yet if I did not take this action, I feared that there would be no comprehensive and thorough inquiry into the guilt of the individuals on death row or of the fairness of the sentences applied. . . . Abraham Lincoln said, "I have always found that mercy bears richer fruits than strict justice." I can only hope that will be so.

For Frist, Free Market Trumps General Welfare

by Linda Everett

Since Sen. Bill H. Frist (R-Tenn.) took up the reins of Senate Republican Leader in the aftermath of Trent Lott's racist debacle, the media has fallen over one another building Frist's *persona* of glamour and glory as a skillful heart surgeon. There have been stories of his flying about the country in the dead of night for an available heart for transplant to save a patient's life; his administering aid to victims of a highway accident. No doubt his capacity here. The tragedy is his betrayal of that doctor's commitment to save lives, *when it comes to public policy*. There, for Dr. Frist, as he wishes to be called, the "free market" trumps human life.

Frist has wielded that ideology as a weapon in his proposed privatization of Medicare through private insurers; in his protecting of health maintenance organizations (HMOs); in his protecting his family's (and other) for-profit hospital cartels and the obscenely lucrative pharmaceutical companies. In each case, Dr. Frist comes out swinging on the side of these giants, against the individual patient and the general welfare of the nation as a whole.

Step One To End Medicare

Frist calls it a travesty that outpatient prescription drug coverage is not part of Medicare, the Federal health insurance program for disabled Americans and those 65 years and over. But, he, and President George W. Bush—allegedly in order to provide that drug coverage—plan a massive restructuring of Medicare which is step one to getting the government out of providing health coverage for the frailest Americans.

Over 40 years ago, it became apparent that private insurance companies did not want to cover older and disabled Americans because they lost money every time they had to provide those people with the many medical services they needed for a plethora of complicated medical conditions. So the Federal government stepped in, and established Medicare to guarantee that all medical care was provided the disabled, and those over 65. The program immediately proved to extend life expectancy substantially for these populations—beyond that of several European countries and Japan.

Now, under Frist's Medicare reform with White House backing, that guarantee for extended life is to be ripped up, and the elderly and disabled thrown to the (competing) wolves—in this case private health insurers, who can charge Medicare patients whatever premiums they wish. Older and disabled Americans now increasingly have to choose between

paying for food or for medication; yet, the Bush Administration says Medicare reforms are necessary to make patients "more conscious of the cost of health care." Frist says he wants to give Medicare beneficiaries the same "choices" every other American has in selecting and paying for health insurance. All but the wealthiest Americans would gladly trade those "choices" for Medicare, were they eligible for it!

The idea, as Senator Frist proposed years ago with "Blue Dog" Democrat Sen. John Breaux (La.), is this. Instead of Medicare's promise that all medical needs are met, the government would give senior patients an annual amount of cash (called a defined contribution or a premium support) to buy their own health insurance from private plans—at whatever costs private insurers wish to charge. For the sickest, it would be astronomical, out of reach for those with multiple serious medical conditions. In effect, people will be forced into cheaper HMOs.

This is exactly what Bill Frist did when he led the team that privatized Tennessee's Medicaid program for the poor (TennCare) in the early 1990s, before his election to the Senate. There were plenty of "red flags" showing that HMOs could not reliably provide services for the poor and disabled. And, under Frist's new TennCare, 25% of the doctors left the program; hospitals dropped out because the state slashed hospital and doctor payments down to 40% of the costs of care; and 500,000 people were added to the program—without increasing the fund's annual budget. There were unnecessary deaths as a result.

There are "red flags" in the Medicare privatization plan as well—besides the plan to shift medical costs to those least able to pay for them. Initially, private HMOs that contracted with Medicare to provide services for its enrollees, used every trick and scam to sign up only the healthiest Medicare recipients—these people used fewer services and the HMOs could profit most by healthier patients. But sick patients were attracted to HMOs because HMOs promised to cover drug benefits, eyeglasses, and more. Once they had drawn all the profits from tens of millions of patients, often by denying promised benefits and care, the HMOs went on to dump 2.4 million Medicare patients from 2000 to 2002, and plan to dump 200,000 more in 2003, and move out of whole regions altogether. Despite Medicare payment increases to these private plans, the HMOs hiked premiums to the elderly and disabled up to 100%, and continued to complain that they could not make a profit on Medicare patients.

Drug Companies, or Patients?

Now, under one part of the Medicare reform promoted by Senator Frist, patients who can't pay enough of their bills with the traditional fee-for-service Medicare, will be forced into the arms of the HMOs that just spurned them! These patients, who need the most care, will be denied it, or die fighting for it—as so many suits against HMOs demonstrate. The reforms will also offer more services, including prescrip-

tion drugs, than traditional Medicare, but charge much higher deductibles and co-payments.

Dr. Frist is a virulent opponent of legislation to rein in deregulated managed care firms and HMOs; he opposes giving patients the right to sue HMOs whose denial or delay of medical treatment results in harming, disabling, or killing them. Instead, he pushed tort reform, as concocted by Conservative Revolution extremists, to make it harder to sue corporations whose wrongful actions result in serious injury or death. Among his major financial supporters, including securities and investments firms, insurance companies, and pharmaceutical giants, is Eli Lilly and Co., which boosted sales of Frist's book on bioterrorism by buying 5,000 copies and distributing them in 13 cities. Frist returned their favor by writing a provision that makes it almost impossible for those injured by an ingredient in childhood vaccines produced by Lilly (Thimerosal, a mercury-based preservative) to sue the company. The Eli Lilly provision was quietly woven into legislation creating the Department of Homeland Security, and was enacted into law.

Frist and the President say Medicare reforms are necessary because Medicare is bankrupt. They don't mention the fact that too few Americans are working and paying into the Medicare program to cover the increasing numbers of elderly. The real unemployment problem is long-standing and will only get worse as 80,000 more Americans become jobless monthly. Medicare was hurt financially when used as an income looting stream by for-profit hospital cartel crooks like Columbia HCA and Tenet—both of which are big-time financial supporters of Frist.

Health Care on Wall Street

Dr. Frist's late father, Thomas F. Frist, Sr., and his brother, Thomas Frist, Jr., were co-founders of the infamous Tennessee-based Hospital Corporation of America (HCA). In 1994, HCA merged with Columbia Healthcare, launched by Richard Scott and then-Texas Governor George W. Bush's financial partner, Richard Rainwater—renowned for his ruthless asset-stripping and closure of most of Charter Behavioral Health Systems, the nation-wide chain of for-profit psychiatric hospitals. Columbia/HCA became the country's largest and most predatory for-profit hospital cartel. Up to 1997, Columbia/HCA intensified cost-cutting and looting at the nearly 800 hospitals, clinics, and health-service businesses that it came to own nation-wide. Every decision was determined strictly by the "financial objectives" of maximizing its returns to Wall Street—by any and all means.

As Columbia/HCA "triumphed" on Wall Street, it wrecked the American hospital system, buying up "competitor" hospitals to shutter them. Its avarice left communities without hospitals (HCA pulled all 19 of its hospitals out of Tennessee, for example, when it failed to get Tennessee's indigent care law, requiring hospitals to treat a percentage of the poor, abolished). The Rainwater-Scott-Frist shareholder values led to defrauding the Medicare program (for 14 years



The private Hippocratic virtues of new Senate Majority Leader Dr. William Frist are much harped upon; more important is that in public policy, he has not put patients' welfare first, but that of financial interests in health care.

and \$3 billion), state government programs, and patients. The Federal government alone spent another \$1 billion to investigate Columbia/HCA and settled criminal and fraud claims for \$1.7 billion.

Bill Frist, his wife, and children own \$10-35 million of stock in HCA, according to a 2001 disclosure. Dr. Frist reportedly used a large part of what he owns in the company as a loan to bankroll his campaign for Senate, against Sen. James Sasser (D-Tenn.) in 1994. Sasser recently told the *Washington Post* that he always wondered whether Frist entered politics partly because the Budget Committee was starting to explore Medicare fraud, and HCA was vulnerable: "I was almost incredulous the Frist family . . . that had supported me politically and I knew socially . . . would suddenly turn around and run against me in what was a vicious campaign."

Senator Frist has his shares of HCA stock in a blind trust in deference to Congressional conflict of interest regulations. But, as one Medicare rights advocate asked this reporter: "Just how blind is a blind trust?" Not very. Had Senate provisions within Frist's early Medicare privatization reform plan become law, they would have profited his family's hospital cartel billions.

Perhaps in the case of the new Senate Majority Leader and prospective 2008 Presidential candidate, we can indeed ask that the doctor heal himself, before his shareholder values devastate more human life.

Congress Flees Economy As Fast as It Can

by Carl Osgood

The House of Representatives spent most of the 107th Congress doing as little work as possible—particularly after the Democrats took over the Senate in May 2001, following the departure of Sen. Jim Jeffords (I-Vt.) from the Senate GOP caucus; and particularly when it came to doing the 13 annual budget appropriations bills. Then-House Majority Leader Dick Armey (R-Tex.), when Democrats made an issue of the House's light schedule, often replied that the House could not move on the spending bills because of the Senate's failure to pass a budget. With the convening of the 108th Congress, and the the Senate under Republican control, House leaders no longer have that excuse. But they managed to show every indication that they intend to do even less work in the 108th, with even less debate, than in the 107th.

The GOP strategy came to light with debate on changes to the Standing Rules of the House on Jan. 7. Democrats charged that the changes the Republicans proposed would have the effect of shutting down debate in committees, as well as on the House floor, and would enable Republicans to hide the economic consequences of falling tax revenues. Rep. Martin Frost (D-Tex.) charged that the changes in the package “only assure that the voice of the minority will be heard less and less.”

The changes to committee procedure boil down to giving chairmen the right to postpone votes on amendments to bills under consideration in the committee. Under the new procedure, the committee chairman can postpone a vote until he has a majority present to defeat a Democratic amendment, as opposed to the previous practice of voting, by whoever was present, on an amendment when debate on it was completed. Frost called this “a recipe for autocracy in the committees.”

Changes to budget process include the automatic inclusion of increases in the statutory debt limit in budget resolutions, and the requirement to use so-called “dynamic scoring,” to be provided by the Joint Committee on Taxation, in the consideration of tax bills. Normally, when a change in the tax laws is considered, the Congressional Budget Office makes a more-or-less linear projection of what effect that change will have on government revenues. Under dynamic scoring, the projection is supposed to take into account the macroeconomic effect of the change, something that even Federal Reserve Board chairman Alan Greenspan says cannot be done. Frost told the House that “the only real thing that is real and reliable about dynamic scoring is that it will serve as a cover-up for the true impact” of the losses of revenue that will be

compounded by the proposed tax cuts.

Another change will, until the second week of April, set Wednesdays aside for consideration of bills, under suspension of the rules. Traditionally, the rules are suspended for bills that are not controversial, or do not require much debate; bills under rules suspension cannot be amended and require two-thirds vote to pass. In recent years, Tuesdays have been set aside for consideration of such bills. Under the new rule, the legislative week will effectively be shortened to *one day*—Thursday—making thorough consideration of major legislation even less likely, for at least part of the year.

The House passed, before it hurriedly left town on Jan. 8, a continuing resolution to maintain Fiscal Year 2002 spending levels until the end of January; and a bill to extend unemployment benefits for five more months. Both bills did only half the job. The unemployment bill, an unfinished piece of business left over from the 107th Congress, only extended benefits for those who were still eligible for them under the emergency program passed last year. The 800,000 or so unemployed workers who exhausted their benefits before last Dec. 28, got no help at all. The GOP attitude towards those workers was expressed by new House Majority Leader Tom DeLay (R-Tex.), who told reporters that the Democrats would not be happy unless they got “unlimited unemployment compensation so somebody could stay out of work for the rest of their lives and get unemployment compensation.”

The continuing resolution was necessitated by the fact that the 107th Congress only passed 2 of the 13 annual spending bills into law before it shut down last November. The scheme to finish those bills is to load the entire responsibility onto the Senate, which is supposed to come up with an omnibus package before the Congress returns on Jan. 28. The Senate is then to send this “behind-closed-doors” budget to the House for nothing more than a confirmation vote. The Senate was to begin such a plan on Jan. 16, but not without a debate. Senate Minority Leader Tom Daschle (D-S.D.) presented to the press on Jan. 15, a long list of intended amendments, addressing everything from homeland security, to education, to funding for Amtrak, to drought relief. These amendments all result from either the 107th Congress's failure to complete the appropriations process, or the Bush Administration's refusal to spend money—including \$2.5 billion for homeland security measures—that was appropriated last Summer.

Present circumstances have not solely resulted from the Congress's failure to address issues that have been on the agenda, however. History is more likely to judge the present Congress, not on whether it passes a budget, but on whether it shows itself able to address the onrushing breakdown crisis of the U.S. physical economy. Signs of that breakdown include budget crises faced by at least 46 of the 50 states, the collapse of essential economic sectors such as the airline and rail industries and health care, the skyrocketing U.S. trade deficit, and the consequent drop in the value of the U.S. dollar, and the loss of 2 million manufacturing jobs in the last two years, to name but a few.

Editorial

'Death, Where Is Thy Sting?'

Just as Illinois Governor Ryan made his best effort to rid this nation of the painful scourge of capital punishment, a leading associate and close friend of Lyndon and Helga LaRouche, who had made it her "personal mission" to free America of the death penalty, passed away. Marianna Wertz died early on Jan. 15, Martin Luther King's birthday, at 54, having fought for many years against cancer and effects of its treatment. Her life, marked both by great human compassion, and a bold determination to make a difference, was full of such self-chosen missions; and in nearly all, she achieved such victories—never final, but always joyful, to her very last hours. Her work since 1989, known to all our readers, of investigating and writing about every case, every development which could hasten the final discrediting of capital punishment, was only one of those missions, chosen by her, but inspired by the long friendship with the LaRouches which washer treasured blessing.

Mrs. Wertz also enjoyed a special friendship of many years with Mrs. Amelia Boynton Robinson of Selma, Alabama, the civil rights heroine whose autobiography, *Bridge Across Jordan*, she edited, and whose vast international work for the Schiller Institute she often coordinated. "Marianna was like a daughter to me, and a friend, and the best editor you could ever imagine," said Mrs. Boynton Robinson. "She was a combination of everything good, and she did it all so well." At Selma's dedication of the National Voting Rights Museum in 2002, and honoring of the lifelong struggle of Mrs. Boynton Robinson and her late husband S.W. Boynton, she asked that the concluding presentation focussing on her continuing work around the world today, be given by Mrs. Wertz.

As Vice-President of the Schiller Institute, Marianna Wertz's work included the preparation, together with her husband of 27 years, William Wertz, of the three-volume work *Friedrich Schiller: Poet of Freedom*, by which the Institute uniquely put Schiller's great dramas, poetry, and essays together into circulation in English, some for the first time. She became a passionate translator of Schiller's poetry into English; her translation of some of his most beautiful philosophical poems, including the great *The Artists*, is awaiting publication in a fourth volume of *Poet of Freedom* which she had prepared.

Her greatest satisfaction lay in challenging herself to do what she saw was necessary, but difficult; her happiness came from changing, inspiring, and organizing others to do more, and to be happier. She formed and conducted the Schiller Institute's West Coast chorus in the early 1980s, for example, never having attempted such work before. In her last year of life, despite very poor health, she volunteered to take up again the physi-

cally arduous but rewarding work of daily organizing, fundraising and recruitment to the growing LaRouche movement, inspiring those she worked with.

Because of her long-deteriorating health, Marianna Wertz's leadership in association with Lyndon and Helga LaRouche was "quiet, but very effective." She counted herself extraordinarily blessed: by her life—at 30, after first beating cancer, she said that 50 years on Earth would be great luck for her; by her very loving marriage; by the friendship and inspiration of Lyndon and Helga LaRouche. She used her talents well; and just before her last heart surgery, said that if she were now to die, she had lived a most wonderful life. And so her death was "swallowed up in victory."



Marianna Wertz, 1948-2003

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MediaOne Ch. 43
Wednesdays—7 pm
- E. LOS ANGELES
Adelphia Ch. 6
Mondays—2:30 ppm
- FULLERTON
Adelphia Ch. 65
Tuesdays—6:30 pm
- HOLLYWOOD
AT&T—Ch.3
Wednesdays—6:30 pm
- LANCASTER/PALM.
Adelphia Ch. 16
Sundays—9 pm
- LAVERNE—Ch. 3
2nd Mondays—8 pm
- LONG BEACH
Charter Ch. 65
Thursdays—1:30 pm
- MARINA DEL REY
Adelphia Ch. 3
Thursdays—4:30 pm
MediaOne Ch. 43
Wednesdays—7 pm
- MID-WILSHIRE
MediaOne Ch. 43
Wednesdays—7 pm
- MODESTO—Ch.2
Thursdays—3 pm

• OXNARD

- Adelphia Ch.19
Tuesdays—7 pm
- PLACENTIA
Adelphia Ch. 65
Tuesdays—6:30 pm
- SAN DIEGO Ch.19
Wednesdays—6 pm
- SANTA ANA
Adelphia Ch.53
Wednesdays—7 pm
- STA. CLAR VLY.
T/W & AT&T Ch.20
Fridays—1:30 pm
- SANTA MONICA
Adelphia Ch. 77
Thursdays—4:30 pm
- TUJUNGA—Ch.19
Fridays—5 pm
- VENICE—Ch.43
Wednesdays—7 pm
- VENTURA—Ch.6
Adelphia/Avenue
Mon & Fri—10 am
- WALNUT CREEK
AT&T Ch.6
2nd Fridays—9 pm
Astound Ch.31
Tuesdays—7:30 pm
- WHOLLYWOOD
Adelphia Ch. 3
Thursdays—4:30 pm
- W.SAN FDO.VLY.
Time Warner Ch.34
Wed.—5:30 pm

• COLORADO

- COLORADO SPGS.
Adelphia Ch. 4
Tuesdays—8 pm
- DENVER—Ch.57
Saturdays—1 pm
- WHOLLYWOOD
Adelphia Ch. 12
Mondays—10 pm
- MANCHESTER Ch.15
Mondays—10 pm
- MIDDLETOWN—Ch.3
Thursdays—5 pm
- NEW HAVEN—Ch.29
Sundays—5 pm
Wednesdays—7 pm
- NEWTON/NEW MIL.
Cablevision Ch. 21
Mondays—9:30 pm
Thursdays—11:30 am

• DIST. OF COLUMBIA

- WASHINGTON
Comcast Ch.5
Starpower Ch.10
Alt. Sundays—6 pm
1/12, 1/26, 2/9
2/23, 3/9, 3/23

• FLORIDA

- ESCAMBIA COUNTY
Cox Ch. 4
2nd Tue. 6:30 pm
- MOSCOW—Ch. 11
Mondays—7 pm

• ILLINOIS

- CHICAGO*
AT&T/RCN/WOW Ch.21
QUAD CITIES
Mediacom Ch. 19
Thursdays—11 pm
- PEORIA COUNTY
Insight Ch. 22
Sundays—7:30 pm
- SPRINGFIELD Ch.4
Mon-Fri: 5-9 pm
Sat-Sun: 1-5 pm

• INDIANA

- BLOOMINGTON
Insight Ch.3
Tuesdays—8 pm
- DELAWARE COUNTY
Comcast Ch. 42
Mondays—11 pm
- GARY
AT&T Ch. 21
Monday - Thursday
8 am - 12 Noon
- QUAD CITIES
Mediacom Ch. 19
Thursdays—11 pm

• IOWA

- BONE/KENTON
Insight Ch. 21
Mon: 4 pm; Sat: 5 pm
- JEFFERSON Ch.98
Fridays—2 pm

• KENTUCKY

- LOUISIANA
• ORLEANS PARISH
Cox Ch. 78
Tuesdays & Saturdays
4 am & 4 pm

• MARYLAND

- ANNE ARUNDEL
Annapolis Ch.20
Millenium Ch.99
Sat & Sun: 12:30 am
- MONTGOMERY Ch.19
Fridays—7 pm
- P.G.COUNTY Ch.76
Mondays—10:30 pm

• MASSACHUSETTS

- BRAintree
AT&T Ch. 31
BELD Ch. 16
Tuesdays—8 pm
- CAMBRIDGE
MediaOne Ch. 10
Mondays—4 pm
- WORCESTER—Ch.13
Tue.—8:30 pm
- MICHIGAN
ATT Ch. 11
Mondays—4 pm
- CANTON TWP.
Comcast Ch. 18
Zajak Presents
Mondays: 6-8 pm
- DEARBORN
Comcast Ch. 16
Zajak Presents
Mondays: 6-8 pm
- DEARBORN HTS.
Comcast Ch. 18
Zajak Presents
Mondays: 6-8 pm
- GRAND RAPIDS
AT&T Ch. 25
Fridays—1:30 pm
- KALAMAZOO
Thu-11 pm (Ch.20)
Sat-10 pm (Ch.22)
- KENT COUNTY
Charter Ch. 7
Tue: 12 Noon,
7:30 pm, 11 pm
- LAKE ORION
Comcast Ch.65
Mondays & Tuesdays
2 pm & 9 pm
- LIVONIA
T/W Ch.12
Thursdays—5 pm
(Occ. 4:30 pm)
- MT.PLEASANT
Charter Ch. 3
Tuesdays—5:30 pm
Wednesdays—7 am

• PLYMOUTH

- Comcast Ch.18
Zajak Presents
Mondays: 6-8 pm
- SHELBY TWP.
Comcast Ch.20
WOW Ch.18
Mon/Wed: 6:30 pm
- WYOMING
AT&T Ch. 25
Wednesdays—10 am

• MINNESOTA

- ANOKA
AT&T Ch. 15
Mon—4 pm & 11 pm
- BURNSVILLE/EGAN
AT&T Ch.14,57,96
Tuesdays—5:30 pm
Saturdays—9 pm
Sundays—10 pm
- CAMBRIDGE
U.S. Cable Ch.10
Wednesdays—2 pm
- CO. OF SPRING
U.S. Cable Ch.10
Wednesdays—5 pm
- COLUMBIA HTS.
MediaOne Ch. 15
Wednesdays—8 pm
- DULUTH
Charter Ch.20
Mondays—9 pm
Wednesdays—12 pm
Fridays 1 pm
- FRIDLEY
Time Warner Ch. 5
Thursdays—5:30 pm
Saturdays—8:30 pm
- MINNEAPOLIS
PARAGON Ch. 67
Saturdays—7 pm
- NEW ULM—Ch.14
Fridays—5 pm
- PROCTOR/
HERMANTOWN—Ch.12
Tue. btw. 5 pm-1 am
- ST.CLOUD AREA
Charter Ch.10
Astound Ch.12
Thursdays—8 pm
- ST.CROIX VLY.
Valley Access Ch.14
Thursdays—4 & 10 pm
- Fridays—8 am
- ST.LOUIS PARK
Paragon Ch. 15
Wed., Thu., Fri.
12 am, 8 am, 4 pm
- ST.PAUL (city)
SPNN Ch. 15
Saturdays—10 pm
- ST.PAUL (N Burbs)
AT&T Ch. 14
Thu—6 pm & Midnite
Fri—6 am & Noon
- ST.PAUL (NE Burbs)*
Suburban Ch.15
St.PAUL (S&W burbs)
AT&T-Comcast Ch.15
Tue & Fri—8 pm
- Wednesdays—10:30 pm
- SOUTH WASHINGTON
ATT Ch.14—1:30 pm
Mon, Tue, Wed, Thu

• NEBRASKA

- LINGOLN
T/W Ch. 80
Citizen Watchdog
Tuesdays—7 pm
Wednesdays—10 pm
- NEVADA
• CARSON—Ch.10
Wednesdays—7 pm
Saturdays—3 pm
- RENO/SPARKS
Charter Ch.16
Fridays—9 pm
- NEW JERSEY
• HADDON TWP.
Comcast Ch. 19
Sundays—11 am
- MERCER COUNTY
Comcast*
TRENTON Ch. 81
WINDSORS Ch. 27
• MONTVALE/MAHWAH
Time Warner Ch.27
Wednesdays—4 pm
- NORTHERN NJ
Comcast Ch.57*
PISCATAWAY
Cablevision Ch.71
Wed—11:30 pm
- PLAINSBORO
Comcast Ch. 3*
- NEW MEXICO
• ALBUQUERQUE
Comcast Ch. 27
Mondays—3 pm
- ANTHONY/SUNLAND
T/W Ch. 15
Wednesdays 5:05 pm
Fri. & Sat.
7 pm or 8 pm
- LOS ALAMOS
Comcast Ch. 8
Mondays—10 pm
- SANTA FE
Comcast—Ch.6
Saturdays—6:30 pm
- TAOS—Ch.2
Thursdays—7 pm

• NEW YORK

- BROOKLYN
T/W Ch.34
Cablevision Ch.67
Tuesdays
3:30 pm, 11:30 pm
- BUFFALO
Adelphia Ch.18
Wed.—12:30 pm
- CHEMUNG/STUEBEN
Time Warner-Ch.1
Mon., Fri.—4:30 pm
- ERIE COUNTY
Adelphia Intl. Ch.20
Thursdays—10:35 pm
- ILION—Ch. 10
Mon. & Wed.—11 am
- Saturdays—11:30 pm
- IRONDEQUOIT Ch.15
Mondays—7:30 pm
Thursdays—7 pm
- JEFFERSON/LEWIS
Time Warner-Ch.2
Unscheduled pop-ins
- JOHNSTOWN—Ch.16
Tuesdays—5 pm
- MANHATTAN—MNN
T/W Ch.34; RCN Ch.109
Alt. Sundays—9 am
- NIAGARA COUNTY
Adelphia Ch.20
Thursdays—10:35 pm

• OHIO

- CUYAHOGA COUNTY
Ch. 21: Wed.—3:30 pm
- FRANKLIN COUNTY
Ch. 21: Sun.—6 pm
- GRANIN COUNTY
Adelphia Ch.30
Daily: 10 am; or
12 Noon; or 2 pm;
or 12 Midnight
- MERLIN—Ch.9
Thursdays—7 pm
- REYNOLDSBURG
Ch.6: Sun.—6 pm

• OREGON

- LINN/BENTON
AT&T Ch. 99
Tuesdays—1 pm
- PORTLAND
AT&T
Tue—6 pm (Ch.22)
Thu—3 pm (Ch.23)
- SALEM—Ch.23
Tuesdays—12 Noon
Thursdays 8 pm
Saturdays 10 am
- SILVERTON
Charter Ch. 10
Mon, Tue, Thu, Fri
Betw. 5 pm - 9 am
- WASHINGTON ATT
Ch.9: Tualatin Valley
Ch.23: Regional Area
Ch.33: Unioncorp. Towns
Ch.23: Saturdays—8 pm
Sundays—9 pm

• RHODE ISLAND

- E.PROV.—Ch.18
Tuesdays—6:30 pm
- STATEWIDE
R.I. Interconnect*
Cox Ch. 13
Full Ch. 49
- TEXAS
• DALLAS Ch.13-B
Tuesdays—10:30 pm

• EL PASO COUNTY

- Adelphia Ch.4
Sundays—8 pm
Thursdays—11 am
- HOUSTON
Houston Media Source
Tuesdays—5:30 pm
Saturdays—9 am
Mon, 1/13: 5 pm
Mon, 1/20: 5 pm
- RICHARDSON
AT&T Ch. 10-A
Thursdays—6 pm

• UTAH

- CENTRAL UTAH
Precis Cable Ch.10
Aurora
Centerfield
Gunnison
Redmond
Richfield
Salina
Sundays & Mondays
6 pm & 10 pm

• VERMONT

- GREATER FALLS
Adelphia Ch.8
Tuesdays—1 pm

• VIRGINIA

- ARLINGTON
ACT Ch. 33
Mondays—4 pm
Tuesdays—9 am
- BLACKSBURG
WTOB Ch.2
Mondays—6 pm
- CHESTERFIELD
Comcast Ch. 6
Tuesdays—5 pm
- FAIRFAX—Ch.10
Tuesdays—12 Noon
Thursdays—7 pm
- LOUDOUN
Adelphia Ch. 23/24
Thursdays—7 pm
- MONTICELLO—Ch.9
Thursdays—2 pm

• WASHINGTON

- KING COUNTY
AT&T Ch. 29/77
Mondays—6 pm
- KENNEWICK
Charter Ch. 12
Mondays—12 Noon
Thursdays—8:30 pm
- PASCO
Charter Ch. 12
Mondays—12 Noon
Thursdays—8:30 pm
- RICHLAND
Charter Ch. 12
Mondays—12 Noon
Thursdays—8:30 pm
- SPOKANE—Ch.14
Mondays—6 pm
- WENATCHEE
Charter Ch.12
Thu—10 am & 5 pm

• WISCONSIN

- MADISON—Ch.4
Tuesdays—3 PM
Wednesdays—12 Noon
- MARATHON COUNTY
Charter Ch. 10
Thursdays—9:30 pm
Fridays—12 Noon
- SUPERIOR
Charter Ch.20
Mondays—7:30 pm
Wednesdays—11 pm
Fridays 1 pm

• WYOMING

- GILLETTE—Ch.36
Thursdays—5 pm

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